Daily Report

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UN Needs $700 Million for Ex-Yugoslav Refugees

AU0810200293 Paris AFP in English 1928 GMT 8 Oct 93

[Text] Geneva, Oct 8 (AFP)—More than 2.7 million people will not survive the winter in Bosnia-Herzegovina unless they receive aid, and even if they get it, there will be a "catastrophe" without a peace settlement, UN High Commissioner for Refugees (UNHCR) Sadako Ogata said Friday [8 October].

The UN humanitarian agencies need 696 million dollars for the next eight months to supply food and other essentials to 4.26 million persons in ex-Yugoslavia, Ogata told the Geneva peace conference's working group.

"The situation in former Yugoslavia is, in both political and humanitarian terms, more alarming than ever," Ogata said.

"With fighting and ethnic-cleansing continuing, never has there been so much intolerance and misery in the region."

The UNHCR says that the 2.7 million people who will depend on humanitarian aid this winter are a million more than were so dependant last winter.

The figure comprises 1.3 million displaced persons, 800,000 refugees in Croatia and 647,000 refugees in Serbia and Montenegro.

The United Nations intended to provide the aid through the UNHCR, the co-ordinating body, the World Food Programme, the World Health Organisation, and UNICEF, the children's fund.

But, Ogata warned, aid by itself will not suffice.

"Without peace, the humanitarian relief effort will be unable to avert catastrophe."

"Let me make on thing very clear," she went on. "The responsibility for the agony in Bosnia-Herzegovina lies with the political and military leaders. No amount of humanitarian assistance can overcome this stark reality".

Ogata saw one silver lining: "Never has there been such yearning for peace among the victims."

Bosnian Deputy Prime Minister Hazdro Efendic said after the meeting that the humanitarian effort needed to be doubled if the population of the ravaged republic were to survive the winter.

She urged the "so-called civilised world" do everything possible to end the fighting and to re-open an airport at Tuzla which has remained unused since the start of the conflict, along with a rail link from the Dalmation coast to Mostar, Sarajevo, Zenica and Tuzla.

The Bosnian delegation here was particularly concerned at the situation in Sarajevo and Mostar which were without water or electricity.

Militia are continuing intermittently to block UN aid convoys on the way to the besieged Moslem enclaves in eastern Bosnia, the southern city of Mostar, and Sarajevo.

A UNHCR spokesman said here that after numerous protests to the Serb authorities in the north Bosnian town of Banja Luka, two 12-truck convoys would leave for the northern towns of Maglaj and Tesanj on Sunday [10 October].

UN To Probe UNPROFOR, UNHCR Corruption

AU0810211693 Paris AFP in English 2011 GMT 8 Oct 93

[Text] Zagreb, Oct 8 (AFP)—UN chief Butrus Butrus-Ghali named General Gunther Greindl of Austria at the head of a commission to inquire into allegations of corruption among peacekeeping and relief bodies, UN officials said here Friday [8 October].

The commission, comprising five members with two investigators, will be tasked with examining allegations of trafficking of goods by members of the UN Protection Force (UNPROFOR), the office of the High Commissioner for Refugees (UNHCR) and other UN bodies.

It will have six weeks to carry out its mission, UNPROFOR said.

UN civil police have been investigating press reports last August that peacekeepers in Sarajevo, notably Ukrainian and French troops, had been trafficking in goods.

Around 15 Ukrainians were earlier sent home after being found guilty of trafficking in cigarettes.

Spain Might Withdraw Troops From UNPROFOR

AU0910181993 Paris AFP in English 1812 GMT 9 Oct 93

[Text] Zagreb, Oct 9 (AFP)—Prime Minister Felipe Gonzalez hinted Saturday [9 October] that Spain might withdraw its more than 1,000 peacekeepers from Bosnia-Herzegovina if the warring parties failed to make peace.

Speaking during a visit to the U.N. Spanish battalion at Medjugorje, 20 kilometres (12 miles) south of the embattled city of Mostar, Gonzales said:

"Clearly we would reconsider things if the parties concerned do not make an effort to reach peace."

A withdrawal of the 1,183 Spanish troops was quite conceivable, Gonzalez told journalists, "because there will be a solution to the problem or there will be a different situation."

Gonzalez arrived in the Croatian port of Split Saturday and boarded a British Sea King helicopter to the Spanish battalion's base in southern Bosnia-Herzegovina.

The Spanish U.N. contingent is responsible for protecting humanitarian aid convoys in the area around Mostar, where the Moslem-led Bosnian army and Croat forces have been engaged in bitter fighting.

Spanish officers have played a key role as mediators in talks between the two warring sides.

Gonzalez, who had travelled earlier from Vienna where he attended a Council of Europe meeting, said the Spanish presence was "not intended to be permanent, it was intended to resolve problems."

He arrived in Medjugorje accompanied by Belgian General Francis Briquemont, commander of U.N. peacekeeping forces in Bosnia, and by a group of Spanish superior officers.

He was due to travel on to Dracevac, 10 kilometres (six miles) south of Medjugorje, to attend a ceremony in honour of the six Spanish troops who have died to date in the Bosnian conflict, six of them in accidents.

The Spanish contingent is mainly active in the Mostar region, in the south of the republic.

Izetbegovic Views Importance of U.S. Troops

AU0810153093 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1100 GMT 8 Oct 93

[Report by Erol Abdovic from New York]

[Text] Following his two-day visit here in New York and the speech that he made at the 48th Session of the UN General Assembly, President Izetbegovic late last night left for Vienna, from where he is expected to continue on to Zagreb and Sarajevo.

After his speech at the rostrum of the UN General Assembly, the president of Bosnia-Herzegovina briefly met Mr. Victor Jackovich, U.S. ambassador in Sarajevo, and Charles Redman, special envoy of the State Department to the Geneva conference. The talks touched upon the question of firmer U.S. guarantees for sending their troops to Bosnia regarding the implementation of the peace agreement.

In the wake of the president's visit to New York, it seems that one uncertainty has been cleared regarding the decisions of the Assembly of Bosnia-Herzegovina and the Bosniak Convention about whether to accept the signing of the Geneva package. There are two aspect to this. First, the U.S. press presented the decisions of the parliamentary session in Sarajevo as a rejection, but in his speech yesterday, President Izetbegovic explicitly stressed that the Geneva agreement was adopted, albeit under conditions already known. Second, particularly in the light of the latest events in Somalia, the president expressed concern that they may affect the already initiated process of the U.S. Congress approving the sending of U.S. soldiers to Bosnia-Herzegovina. And without their arrival, as Izetbegovic said at a news conference yesterday, all the agreements that we have been signing may ultimately remain unrealized.

At the news conference, which was held after a very short meeting with members of the Nonaligned Movement—Indonesia, Venezuela, Pakistan, and Cape Verde—President Izetbegovic spent 40 minutes replying to many journalists' questions in the building on the East River. One of the issues touched upon was the initiative by the Organization of Islamic Countries that the work of the London conference on former Yugoslavia should be resumed, which would again discuss all the unimplemented resolutions on Bosnia-Herzegovina, as well as that they should return to the basic principles of that conference, which, let us recall, was held in August and September last year. In this respect, President Izetbegovic said that there has been no official confirmation that the work of the conference will resume in London, but did confirm that such a conference would suit Bosnia-Herzegovina better, that is, as he put it, a conference of the London and not the Geneva type would suit Bosnia-Herzegovina better. Also mentioned was the still open option of the selective lifting of the arms embargo. In this respect, President Izetbegovic made the following absolutely clear: Such a possibility is always topical, necessary, and welcome, and it does not exclude our position of preferring negotiations to war.

Finally, in reply to the question of whether he will accept and agree to, that is, be satisfied with a peace plan that gave Bosnia more territory, Izetbegovic said very concisely the following: We shall never be satisfied with this imposed and unjust plan, but that does not mean that we are not going to accept it, simply because there are no other constructive solutions and, with the international community being indifferent, it seems to be the only alternative to war and to the continuing suffering of the Bosnian people. Second, the Bosnian president added that we again stress that the plan cannot be fully accepted until the territories occupied by force are returned, until the process of the return of refugees to their homes is made possible, and until this begins.

Council of Europe Session Begins in Vienna

Croatian President Attends

LD0910083893 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 8 Oct 93

[Excerpts] The Council of Europe [CE] session started in Vienna this afternoon. [passage omitted]

The Croatian president had talks with Austrian President Thomas Klestil at the Hofburg Palace this morning. The Austrian president reiterated the support of Austria and the official Austrian policy for Croatia's aspirations and expressed total understanding for Croatia's present difficulties. During a 35-minute conversation, that took place in a cordial atmosphere, President Tudjman expressed gratitude for Austria's support. Speaking about the settlement of the crisis in Bosnia-Herzegovina, Tudjman briefed Klestil in detail on Croat-Muslim relations, Croatia's attempts to maintain good relations with the Muslims, on the talks held in this connection, and all the obstacles.

After the Council of Europe session Tudjman will meet German Chancellor Helmut Kohl. The Croatian president is this evening also expected to meet Alija Izetbegovic, the president of the Bosnia-Herzegovina presidency, who arrived in the Austrian capital today.

Slovak Prime Minister Interviewed

LD0910085393 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 8 Oct 93

[Interview with Slovak Prime Minister Vladimir Meciar by correspondents Michal Tvarozek and Ivo Kunsch at the Vienna Council of Europe Meeting on 8 October—recorded]

[Excerpt] [Passage omitted] [Tvarozek] We asked Prime Minister Vladimir Meciar before the beginning of the official talks:

[Kunsch] Prime minister, will you use this ideal opportunity to present the solution of the nationality question in Slovakia before so many heads of states and governments?

[Meciar] Naturally, this question is important, but the summit has been conceived of somewhat more broadly. Today the sphere of minorities (?is being closely followed) and it is one of the main topics. The presentation of the topic has commenced, the talks on this topic with those who wanted to ask about it have already taken place. Basically, the whole lunch was used for the presentation of the Slovak minorities viewpoints. The only question that remains is not the question of the rights, but that of an attitude toward what had stemmed from being admitted to the Council of Europe: Place names, names and surnames, and then the question of regional arrangement. I can say that there exists great misinterpretation of the law, because the law is built on grammatical linguistic structure which is being adhered to, and which has nothing to do with human rights. If the right of a woman is to choose a surname, whether she wants it in the language of the minority or designation of gender in Slovak—that is the right of a person, it is no longer a political right.

[Tvarozek] Will you take the floor at this summit?

[Meciar] Probably tomorrow, but we shall have to agree about it. [passage omitted]

Czech President Comments

LD0910082893 Prague CTK in English 1737 GMT 8 Oct 93

[Text] Vienna, Oct 8 (CTK) - The Czech Republic is ready to do everything for the Council of Europe (CE) to play the key role in the process of European integration, Czech President Vaclav Havel said at the CE summit in Vienna today.

The Czech Republic became a CE member on June 30.

Havel said he believed that doubts surrounding European integration were due to the false impression that the great European task facing us is merely a technical, administrative or systemic one, and therefore it is enough to invent ingenious structures, new institutions...new legal norms and rules, that it simply suffices to conduct endless talks.

European states must get rid of their subconscious effort at gaining a dominant position and creating their spheres of interest, and avoid attempts to cheat history by turning the European idea into a high-minded veil behind which they will continue pursuing their own interests.

The West must rid itself of protectionist egosim, while the post-communist states must make radical attempts to do away with all the dark spirits set free by the freshly gained freedom, Havel said. In the opposite case, the present-day Europe will hardly accept the great challenge of the time and will hardly grasp the opportunity facing it, he pointed out.

Havel pointed out that twice in this century, Europe had paid dear for the narrow-mindedness and unimaginativeness of its democracies. For the first time the democracies failed when they found themeslves face to face with Nazism, when they refused to sacrify anything to the germs of this ill, for which they had to pay million-times more later, in the struggle against its developed form, Havel said.

The second failure followed when Stalin usurped half of the European continent and stopped history there, he added.

Havel warned that democratic Europe could not afford itself a third failure. This third failure is implied in

Europe's relation to the developments in Bosnia-Herzegovina and in the whole of former Yugoslavia.

Instead of striving at salvaging the civic society, based on peaceful coexistence of various ethnic groups and cultures, the peace talks are turning into negotiations on the borders of ethnically cleansed small states which consecrates the idea of an ethnically pure state, while simultaneously it denies the idea of a civic society, Havel said.

He pointed out that present-day Europe was also facing the test of its ability to stand up to the temptation to open up the back door to the demon of national collectivism through placing a seemingly innocent emphasis on the collective rights of ethnic minorities and on their right to self-determination. This emphasis may result in new unrest and tension because it challenges the integrity of individual states and the inviolability of their borders, Havel stressed.

Polish Prime Minister Comments

LD0910113693 Warsaw PAP in English 1757 GMT 8 Oct 93

[Text] Vienna, Oct. 8—During the first day of debates at the Council of Europe summit currently being held in Vienna, Polish Prime Minister Hanna Suchocka proposed that the council set up a regional bureau in Warsaw to serve Central and Eastern Europe.

Suchocka suggested that a council bureau located in Warsaw could prove useful in the coordination of activities undertaken by all CSCE member-states. In particular it would be well placed to cooperate with the already existing CSCE Bureau of Democratic Institutions and Human Rights.

Addressing the summit of the Council of Europe Polish Prime Minister Hanna Suchocka supported work aimed to reorganize the inspection system of the European Human Rights Convention and on a document which would codify rights of national minorities.

Later in the day, Hanna Suchocka held a short meeting with President of the Czech Republic Vaclav Havel. Suchocka briefed Havel on the political situation in Poland following parliamentary elections last September.

Hungarian Foreign Minister Address

LD0910201793 Budapest MTI in English 1811 GMT 9 Oct 93

[Text] Vienna, October 9 (MTI)—Hungarian Foreign Minister Geza Jeszenszky addressed the summit of the Council of Europe in Vienna on Saturday.

Jeszenszky said Hungary had had certain reservations about the latest memberships in the Council of Europe. He said the Hungarian Government was satisfied with how the Parliamentary Assembly and the Council of Ministers accepted responsibility - with their recommendations and conditions - for the countries concerned to implement the promises made.

"I hope that the governments in question will be able to pass the necessary laws, and that they will not allow, red-brown, extremist forces to prevent the observance of Council of Europe recommendations," he said.

Jeszenszky, as foreign minister of the country currently fulfilling the presidency of the Central European Initiative (CIS), discussed the work of the CIS, and said the organization also deals with issues of protecting the minorities. Jeszenszky used the CE summit to invite Council of Europe representatives to the ministerial conference of the CIS, which is to pass a resolution on minority protection.

With respect to the problems of minority existence, Jeszenszky said tensions are not caused by the existence or demands of the minorities, rather by their unfavourable situation. Were nothing to obstruct the minorities in safeguarding their identities, ethnic tensions would be reduced and could even be eliminated, he said.

As regards collective rights, the foreign minister said that inasmuch as these rights can be denied collectively, then their ensurance should also be guaranteed for entire collectives.

Jeszenszky mentioned that several governments stress the view, which was also heard at the CE summit ending in Vienna today, whereby the national minorities are obliged to show loyalty to the countries in which they live. Loyalty is none other, than the observance of the law, Jeszenszky said, and added this was not a problem in places where the state respects the rights of the minorities, including the right to their own culture or to using the village names given by their ancestors. Irrespective of whether they belong to the majority or the minority, citizens will be loyal only to governments which show this same loyalty for the citizens, the Hungarian foreign minister said.

Berisha, IMF Official Discuss Economic Priorities

AU0610214093 Tirana ATA in English 0931 GMT 6 Oct 93

[Text] Tirana, October 6 (ATA)—Albania has recorded the highest index of the growth of total output in Europe for 1993 and ranks among the countries with best results regarding inflation and currency, Mr. Jacques Artus, deputy director of IMF department I for Europe, declared at the meeting with President Berisha on October 5.

President Berisha thanked for the contribution of IMF to the macro economic stability of Albania and focused on economic priorities for the next year and the principal issues to be resolved with the IMF support such as salary increase, administration of taxes, foreign debt, and damage caused by the embargo imposed on Serbia.

Mr. Artus promised permanent cooperation for the success of the economic program for 1994.

Minister Hoxha Explains New Investment Bill

AU0910150893 Tirana RILINDJA DEMOKRATIKE in Albanian 29 Sep 93 p 2

[Interview with Minister of Trade and Foreign Economic Relations Artan Hoxha by unidentified correspondent; place and date not given: "The Potential Opportunities for Foreign Investment Are Considerable"]

[Text] [Correspondent] What are the reasons for your presentation of a new law on foreign investment, what are its basic concepts, and what advantages will it bring?

[Hoxha] It is true that within a period of just over a year we are presenting to parliament a new bill on foreign investment, conditioned by profound economic, institutional, and judicial evolutions, as well as our concept of the role and importance of foreign investment.

The bill is the synthesis of our experience during the past year and embodies the basic principles of international agreements and treaties on foreign investment to which the Republic of Albania adheres or intends to adhere, as well as several bilateral agreements that we have concluded with a number of other countries for the protection and stimulation of investment, such as the principle of national treatment, the principle of most favored nation, the right to transfer capital and profits, the obligation of real compensation in case of expropriation for the public good, the right to seek arbitration in Albanian or international courts, all of which are limited or nonexistent in our present law.

In addition, the bill avoids the present limitations on the participation of foreign capital in various sectors, placing it on the same footing as private domestic capital. It also defines juridically more clearly the terms "foreign investor" and "foreign investment."

A considerable improvement is represented by the complete elimination of authorizations issued by local government bodies, the Ministry of Trade and Foreign Economic Relations, or the government to foreign investors, thus eliminating some of the bureaucracy and enabling foreign investors to follow the same procedure as domestic ones.

[Correspondent] Do you believe that the rapid change in the law may raise problems or ambiguity?

[Hoxha] I believe that a law changed in a positive way and in harmony with other laws not only avoids vagueness, but clears up the vagueness and problems of the previous law.

[Correspondent] What is the opinion of the specialist institutions concerning this bill?

[Hoxha] The bill has been well received by the World Bank, the IMF, the European Bank for Reconstruction and Development, the Bar Association, and other bodies that we have consulted. They consider the bill to be universal, open, and well-balanced, meaning that it neither limits foreign investment nor does it create unnecessary investment that may deform the market's structure, and they also consider it to be nondiscriminating and even one of the best of its kind.

[Correspondent] What is the current picture concerning foreign investment?

[Hoxha] First, interest in investing in Albania has grown considerably during this period.

I can say that, compared to the $22 million worth of contracts in joint enterprises 18 months ago, the current figure is $235 million, not including investment in oil, in the banking sector, and so forth. Moreover, totally private investment is even higher than that in the state sector.

Second, foreign investment has been and is being made in various sectors of the economy, such as in the textile industry, construction, transportation, agriculture, banking, commerce, tourism, the service industry, and the oil industry, while negotiations are in progress with regard to mining, that is, chrome and copper, the cement industry, construction materials, and so forth.

Third, this is not only small scale, but also medium-sized and even large investment.

Fourth, the degree of cooperation with domestic capital, particularly private capital, has increased. There are cooperation problems in the state enterprises. I believe that the state's quota in many of these enterprises must be privatized.

Fifth, there is a tendency in some sectors to invest for export purposes.

Sixth, the degree of credibility of foreign firms has increased. Many of them are well-known in their own countries and beyond.

Seventh, Italian investors are more present and willing to risk capital, followed by Greek, Austrian, German, and U.S. investors. Powerful firms from Hong Kong, Malaysia, and South Korea have recently shown their interest, particularly in the textile industry.

This is a real, dynamic, and optimistic picture, but foreign investment still lags behind the country's true potential. Even the investment that I have mentioned is still in the planning and construction stage, although some of it has already started production. We will shortly publish detailed data on all this.

[Correspondent] How do you explain the fact that we are lagging behind our potential?

[Hoxha] The potential is considerable owing to natural and energy resources, the geographical position, and low production and manpower costs, even though the manpower is relatively skilled and able to absorb.

Political stability, the positive progress of the economic reform, the decline of inflation, currency stability, the institutional reform, the marked improvement in the judicial framework, the conclusion of a number of commercial agreements and bilateral and multilateral investments, the increased efficiency of issuing information on Albania, the presence and commitment of international financial institutions, and the growing private sector domestic capital—these are some of the major factors that have attracted foreign investment and increased interest in Albania.

Naturally, a number of problems, such as the lack of an adequate infrastructure, an efficient financial system, shortcomings in the judicial system, the rigidity of the privatization system, the prohibition of land ownership by foreigners, fictitious and exaggerated estimates of state property, and differentiation between foreigners and Albanians—this has had a negative influence on attracting foreign investment.

Everyone talks about the essential need for foreign investment, but in many cases these are subjected to prolonged procedures and wrongful and illegal interventions by individuals and institutions as a result of professional ignorance and, why not, even because of personal profiteering.

Let us also not forget the situation in the region as a powerful negative factor.

[Correspondent] What is your opinion about Albanian legislation?

[Hoxha] I have answered this question in an interview with the newspaper REPUBLIKA, which is due to appear soon, but briefly: When our legislation is completed, the law on foreign investment will become obsolete.

[Correspondent] You mentioned personal interventions and abuse. You have yourselves been accused by the media of corruption with regard to foreign investors. What can you tell us about this?

[Hoxha] No. No facts have ever been produced. I believe that corruption finds fertile ground on which to thrive when prerogatives that are unnecessary in a market economy are being jealously preserved, when the state and its officials are permitted to interfere and determine.

The Ministry of Trade and Foreign Economic Relations has long since been released from the task of issuing permits, licenses, and authorizations, and has found itself with the task of drafting and implementing development programs and stimulating trade, exports, private business, and so forth. I believe this is an achievement.

[Correspondent] You mentioned the program for the development of commerce and private activity. What can you tell us about this?

[Hoxha] This is a broad field and I would like to confine myself to foreign investment in this interview. We can talk about it in another interview, perhaps soon.

[Correspondent] Are you thinking about resigning from your position as minister?

[Hoxha] I frequently hear people saying: I am not seeking, nor am I fighting for posts.

I believe that to be a minister is a difficult and responsible duty, that one must carry on as long as one can cope. Otherwise one must resign. One must also resign if there are fundamental differences of opinion with other sections of the government or parliament.

I will not hesitate to do this should I be confronted with one or other of these cases.

[Correspondent] What about your personal life as a young man, as a citizen?

[Hoxha] When people are asked about something that they do not wish to reply to, they say: "Let us leave this matter aside."

Zhelev Returns From Council of Europe Summit

AU1010155193 Sofia Khorizont Radio Network in Bulgarian 2000 GMT 9 Oct 93

[Text] This evening President Dr. Zhelyu Zhelev returned from Vienna, where he attended the summit meeting of state leaders from the Council of Europe members.

The president was welcomed at Sofia Airport by Prime Minister Luyben Berov and by Deputy Chairman of the National Assembly Yordan Shkolagerski.

President Zhelyu Zhelev summed up the most important results of his Vienna talks in the following words:

[Begin Zhelev recording] I consider it necessary that the question of indirect [kosveni] compensations should be raised at all forums, on the occasion of all official and unofficial talks, and on the occasion of private talks as well, so that our stand may be understood.

We flatter ourselves to have been successful in explaining our position, that we have made the Western politicians understand our situation, and that a much larger dose of realism is contained in this attitude of ours, namely of demanding indirect compensations than in the question of asking for direct [preki] compensations. From our talks we understood there are certain chances for us obtaining indirect compensations from the United Nations as well. [end recording]

Papers Criticize Remarks by New U.S. Ambassador

AU1010155493 Sofia BTA in English 1703 GMT 9 Oct 93

[From BTA Press review]

[Excerpts] Sofia, October 9 (BTA)—The press informs of the First Council of Europe summit in Vienna. "In burning Europe there is no place for glamour at the top," the special correspondent of DEMOKRATSIYA, its editor-in-chief Panayot Denev, writes. The rights of the minorities are high on the agenda of the discussions, Panayot Denev reports. The private STANDART NEWS daily gives prominence to Bulgaria's proposal for indirect compensation of the losses it has sustained as a result of the Yugoembargo and to the idea for holding a forum of experts on the issue of compensations in Sofia.

OTECHESTVEN VESTNIK sums up an exclusive interview for Radio Free Europe given by President Zhelev in Vienna. In his interview President Zhelev says that a possible unilateral refusal to observe the sanctions by Bulgaria would tantamount to suicide for this country and adds that Bulgaria will move a special resolution in the UN on indirect compensations. Dwelling on the internal political situation, the president defended his idea for restoring the old parliamentary majority and for the incumbent parliament to complete its constitutional term of four years, according to OTECHESTVEN VESTNIK. [passage omitted]

"The New U.S. Ambassador to Sofia Will Demand Changes in the Bulgarian Constitution," (KONTINENT), "Diplomatic Gaffe or Well-Judged Move?" (OTECHESTVEN VESTNIK), "Future U.S. Ambassador in Sofia Threatens To Change our Constitution" (STANDART NEWS), "BSP [Bulgarian Socialist Party] Sends Interpellation on Statement of Ambassador William Montgomery," (DUMA) and "New U.S. Ambassador to Scold and Instruct Us" (TRUD)—under these headlines and citing a report by REUTERS yesterday the press informs of a statement made in Washington by the new U.S. Ambassador to Bulgaria William Montgomery that he would seek changes in the Bulgarian Constitution to make it easier for ethnic parties to take part in the political system. OTECHESTVEN VESTNIK described this statement as "unprecedented in diplomatic practice." "In what capacity will the ambassador seek changes in the Bulgarian Constitution?" OTECHESTVEN VESTNIK asks. A U.S. Department of State official who asked not to be identified said that Ambassador Montgomery's evaluations accurately reflected the views of the Department of State, KONTINENT writes without further comment. The socialist DUMA informs that the Press Office of the Bulgarian Socialist Party sent a letter to the Ministry of Foreign Affairs inquiring of the measures taken by the ministry for establishing the accuracy of the press reports and of its subsequent steps. STANDART NEWS quotes the president's adviser on minority issues, Mr. Mikhail Ivanov, who says that he learnt of the statement of Mr. Montgomery from REUTERS and would therefore refrain from comment. "I believe that Article 11 prohibiting the setting up of political parties based on religion and ethnicity is discriminatory but at the same time it should be known that this is our constitution and that it is within the competence solely of the Bulgarian Parliament," Mr. Ivanov said, according to STANDART NEWS. [passage omitted]

Politicians Comment on Statement

AU1110180693 Sofia BTA in English 1038 GMT 11 Oct 93

[From BTA's 11 October "Press Review"]

[Excerpt] Sofia, October 11 (BTA)—[Passage omitted] The press continues to publish reactions of Bulgarian politicians to the statement of William Montgomery, the new U.S. ambassador to Bulgaria, who said in Washington he would seek amendments to the Bulgarian Constitution to advance the participation of ethnic parties in the political life of this country. "The Movement for rights and Freedoms (DPS) is not an ethnically-based party and this is proved by its work in the three powers," KONTINENT quotes Yunal Lyutfi MP of DPS. "The movement does not need foreign ambassadors to speak up for its status in Bulgaria," Mr. Lyutfi says further on. In his capacity as deputy chairman of the Parliamentary

Foreign Policy Committee, Mr. Lyutfi told 24 CHASA the committee will demand the full text of the hearing. Mr. Mikhail Nedelchev MP of SDS [Union of Democratic Forces] described Mr. Montgomery's stand as strange, KONTINENT says. The daily also quotes Mrs. Nora Ananieva, floor leader of the BSP [Bulgarian Socialist Party] parliamentary group, as saying that "one of Bulgaria's tasks in the transition is to avoid external interference and this is a case of indiscreet interference." An official declaration of the Democratic Party in Plovdiv (southern Bulgaria) recommends President Zhelyu Zhelev to decline approval of the appointment of Mr. Montgomery as U.S. ambassador to Bulgaria, KONTINENT reports. The National Committee in Defence of National Interests insists on the same, according to DUMA.

"This is a classical example of interference in internal affairs and it is both insolent and inexplicable," reads a signed commentary in KONTINENT. "None of the reactions of Bulgarian officials makes it clear as to what is their attitude to the intentions of the future U.S. ambassador to set up a Macedonian Party in Bulgaria," reads a signed commentary in TRUD under the headline "Moscow Used To Instruct Us, Washington Has Taken Over."

"A signed article in DUMA on Mr. Montgomery's statement headlined Foreign Factors Contest the Nature of Our State," recalls that at a rally in the town of Kurdzhali (southern Bulgaria) two years ago leaders of the DPS waved a letter from the U.S. Department of State which said that the Turkish Party in Bulgaria has the right to exist and run in the elections. An exstatesmen who asked not to be named says that that same year the United States, Britain and even France exerted pressure for the recognition of the DPS. [passage omitted]

U.S. Embassy Issues Statement

AU1110190693 Sofia BTA in English 1745 GMT 11 Oct 93

[Text] Sofia, October 11 (BTA)—The Office of the President still has no detailed information on the statement of the new U.S. Ambassador William Montgomery before the U.S. Senate Foreign Relations Committee and cannot form a view, presidential spokesman Valentin Stoyanov said today in connection with statements of Mr. Montgomery reported by REUTER. The official text of Mr. Montgomery's statement received at the Office of the President contains nothing of the REUTER statements, Mr. Stoyanov stressed. It is possible that the REUTER report is based on statements made by Mr. Montgomery before the Senate Foreign Relations Committee in answer to a question, the presidential spokesman said. According to REUTER, Mr. Montgomery told the committee he was not happy with the status of Bulgaria's ethnic minorities and he would seek to amend the Bulgarian Constitution. This triggered a strong reaction in the Bulgarian press.

Two days ago, on President Zhelev's return from Vienna, Mr. Stoyanov told BTA that "Bulgaria is a sovereign state and no one can dictate what we should do in our own country." President Zhelyu Zhelev, Prime Minister Lyuben Berov and Foreign Minister Stanislav Daskalov declined to comment at that time, saying their information came from press reports.

The Bulgarian press reacted strongly. OTECHESTVEN VESTNIK described Mr. Montgomery's statement as "unprecedented in the diplomatic field." "In what capacity and with whom will the ambassador seek to amend the Constitution?", the daily asked. The future U.S. ambassador to Sofia threatened to amend our Constitution, said STANDART NEWS. TRUD commented that the new U.S. ambassador would "give us a talking-to." The press agreed that this amounted to interference in Bulgaria's internal affairs and that matters related to the Bulgarian Constitution were within the competence of Bulgarian Parliament only. Later on 24 CHASA, quoting an anonymous Bulgarian diplomat, said REUTER had misquoted Mr. Montgomery's statement before the Senate committee.

The U.S. Embassy issued a special declaration received at BTA today, saying that the U.S. Embassy and Ambassador William Montgomery "reiterate categorically that it is the sovereign right of the citizens of Bulgaria and their duly elected representatives to determine the laws and Constitution of their country." "This fundamental principle is, in fact, at the heart of the political changes that have taken place in Bulgaria in recent years," the statement says. "If and when the United States Government has concerns to raise on any matter, we will continue to do so through normal diplomatic channels as governments and embassies do all over the world," the statement says in conclusion.

Meanwhile, the Bulgarian Socialist Party sent a letter to the Foreign Ministry, inquiring about measures taken to verify the statements in the press, as well as about any diplomatic steps taken by the Foreign Ministry in case the facts of Mr. Montgomery's statement have been clarified. The Foreign Ministry stated that an inquiry into the matter was under way and the ministry would take a stand on its completion.

Defense Minister Complains About Lack of Funds

AU0810201393 Sofia BTA in English 1648 GMT 8 Oct 93

[Text] Sofia, October 8 (BTA)—"The 8,654 million leva allocated under the National Budget Act are utterly insufficient for the needs of the Bulgarian Army. 94 Per cent of the army's budget is spent on meeting the daily needs of the army, 5.4 per cent for technical equipment and only 2 per cent on research work and updating the armed forces," Defense Minister Valentin Aleksandrov said in response to an interpellation in parliament today.

With this budget the army hardly manages to cover its current expenses: salaries, food, uniforms, electricity,

fuel, and is hardly in a state to maintain technical trim, the defense minister pointed. He did not reveal the exact percentage of arms and military equipment out of order which is a state secret. "Between 20 and 30 per cent of the equipment and arms are practically unusable, even though the army has not engaged in any military operations," the minister said. National defense is not among the priorities of state expenditures and the Defense Ministry owes some 200 million leva to suppliers at the moment, the minister emphasized.

"In order to cope with this situation, the Defense Ministry is forced to resort to drastic measures to save money: Field and driving exercises and jet-fighter flights have been reduced to the critical minimum," Minister Aleksandrov said. "A couple of points beneath this level and the army would be capable of doing virtually nothing," according to him.

All these problems have an extremely negative effect on morale in the army and particularly among the officers, and the number of new officers who leave the army has soared, Minister Aleksandrov stressed.

The Defense Ministry insists that parliament pass a national security and military Doctrine concept and a defense and armed forces act, so as to make it possible to pass a budget adequate to the needs of national defense. It also demands that the 1994 budget provide funds corresponding to the tasks assigned to the ministry. "The army would be incapable of fulfilling its obligations as defender of national sovereignty, provided by the Constitution, unless the 1994 budget allocates funds to help us out of this situation," the minister said. "We need about 2,000 million leva in order to stop the further deterioration of the state of the armaments and equipment and 1,000 million leva more are needed to cover current expenses," he added.

Minister Aleksandrov also dwelled on the problems of army personnel. "Bulgaria inherited from the Warsaw Treaty a structure pressuposing a huge economic potential and this affects the size of the officers' staff. The present officers-rankers correlation is 1:2.7. Regular servicemen account for 47 per cent of the whole staff. The army has 22,000 officers, 27,000 non-comissioned officers, 45,000 rankers and I don't think this model is acceptable," the defense minister said. He added that at the same time the army is considerably understaffed. "It is not so much the shortage of high-ranking officers but rather the shortage of platoon and company commanders that troubles me," Minister Aleksandrov said.

He also mentioned the difficulties in recruiting rankers which is the result of the negative demographic trends and the reduced number of category men: About 10,000 young men are not fit to serve in the army at present.

Actually, there is no strict rank-position correspondence, observance of seniority and cadres rotation at present, the minister emphasized. "We cannot carry out the necessary redeployment of forces and form the corps to cover the Serb and Romanian borders," he added. According to the defense minister, the high command staff should be restructured.

Karabashev Meets With World Bank Delegation

AU1110200193 Sofia BTA in English 1903 GMT 11 Oct 93

[Text] Sofia, October 11 (BTA)—A delegation of the World Bank arrived here, the Council of Ministers' Press Office said today. The delegation is going to analyze government policy carried out so far in the structural adjustment of the real and the financial sphere of the economy. It will help formulate a letter on "development policy," required for a financial and economic structural adjustment loan by the World Bank, the Khorizont Programme of national radio said in its central newscast tonight.

The mission, led by Hans Otto Moritz, chief financial expert, met Deputy Prime Minister Valentin Karabashev. He familiarized the guests with the progress of privatization, the bad debt problem and the management of the state holding in companies. The World Bank mission will meet representatives of the Finance Ministry, the Bulgarian National Bank and the Bank Consolidation Company.

Cabinet Raises Tobacco Purchase Price

AU1110195793 Sofia BTA in English 1826 GMT 11 Oct 93

[Report by Ekaterina Kazasova: "Cabinet Raises Tobacco Purchase Prices"]

[Text] Sofia, October 11 (BTA)—The Council of Ministers today raised the tobacco purchase prices by an average 57.4 percent compared to 1992.

The decision was made after nearly a month of protest action by tobacco growers in southeastern Bulgaria, most of them ethnic Turks, who demanded an 100 and at some places a 200 percent markup of tobacco purchase prices. The farmer protests were backed by the ethnic Turks' Movement for Rights and Freedoms (DPS). After hunger strikes proved futile, tobacco growers in some areas blocked main roads in the region to press the cabinet to address the issue. The compromise sponsored by the cabinet is unlikely to satisfy the farmers.

The cabinet had to choose between a market and a socially-oriented scenario for the development tobacco growing. It was forced to raise the prices, as tobacco growing is the only livelihood in the mountainous and semi-mountainous areas of southeastern Bulgaria. According to experts of Bulgartabak, the nation's largest tobacco products maker, the price markup will make Bulgarian tobacco unmarketable abroad.

The cabinet assigned the minister of finance to conduct an audit of Bulgartabak and the ministers of agriculture and trade to explore and map out ways to involve farmers in privatizing the company.

The government gave the ministers of agriculture, industry and finance time by year-end to present a two-year programme on the promotion of tobacco growing and processing and the tobacco products industry.

"What the government approved is minimum prices, conforming to the demands of producers, harmonized with the National Council for Tripartite Cooperation (of the government, employers and trade unions) and the parliamentary DPS, so I do not expect particular objections," said Deputy Prime Minister Valentin Karabashev after the cabinet meeting.

However, plans for a blockade of roads in the Eastern Rhodope Mountains and a farmer procession to Sofia have not been canceled, according to national radio's local correspondent. This evening the Coordinating Centre of Strike Committees will meet urgently to discuss the steps to be taken. According to Syuleyman Emin, member of the Coordinating Centre, the new government decision hardly differs from any earlier ones and does not rule out the possibility of new road blockades as early as tomorrow.

The minimum purchase prices approved today are 26 percent higher than the 31.4 percent rise sponsored by the interdepartment commission dealing with the matter.

Sets Grain Import Quotas

AU1110200293 Sofia BTA in English 1909 GMT 11 Oct 93

[Text] Sofia, October 11 (BTA)—At a regular meeting today, the cabinet set quotas for the duty-free import of grain by the end of 1993. This is the government's second step intended to provide enough animal feed and regulate the price of bread, after the extension by 1994 of the ban on grain imports. The quotas are as follows: 300,000 tons [tonnes] of bread wheat, 100,000 tons of fodder barley, 900,000 tons of fodder maize and 50,000 tons of sunflower cakes.

In making the decision, the cabinet took into account this year's poor maize harvest, producers's unwillingness to sell bread wheat and the markup on commodity exchanges of the grain prices, which topped 3,000 leva a ton last week. According to Agriculture Minister Georgi Tanev, sponsor of the quota project, the measure will balance the grain prices and keep the prices of bread steady.

The cabinet endorsed candidates for General Staff and Defence Ministry department chiefs, put up by Defence Minister Valentin Aleksandrov. The nominee to head the Bulgarian Army Military Counterintelligence Department is Lieutenant Colonel Vasil Stoyanov.

The Council of Ministers made decisions on funding labour relocation projects in the Rudozem and Madan Municipalities in the Western Rhodope Mountains.

KNSB Leaders Disagree Over Policy at Congress

AU1010143993 Sofia BTA in English 2122 GMT 8 Oct 93

[Text] Sofia, October 8 (BTA) - A change to hard line left trade unionism or continuation of KNSB [Confederation of Independent Trade Unions in Bulgaria] balanced and reasonable policy: These are the alternatives between which the 800 delegates of the branch and regional organizations affiliated to the Confederation of Independent Trade Unions in Bulgaria should choose, KNSB President Prof. Krustyu Petkov believes. The KNSB leader favours a balanced and moderate policy.

Taking the floor, Prof. Svetoslav Stavrev, vice president of KNSB called upon the delegates to decide what exactly the KNSB would be: an authoritarian or a democratic trade union. Declaring he would leave the KNSB, Prof. Stavrev said he disagreed with the authoritarian methods used by the confederation's incumbent leadership.

During the three congress days, the delegates will discuss and formulate the future strategy of KNSB. Changes in its statutes and election of a new leadership are also expected.

In compliance with the KNSB statutes, Prof. Petkov declared the resignation of the incumbent leadership in his opening speech. Before the opening of the congress, he had said he would run for another term as KNSB president if the restrictions on the number of terms in office envisaged in the statutes were lifted. KNSB deputy chairperson Diana Damyanova reacted by saying should the restrictions be lifted, she would propose that the KNSB leader be appointed for life.

Today the motion for canceling the provisions that limit the trade union leader's term in office was presented to the commission working on the amendments to the KNSB statutes. According to participants in the forum, if the motion is passed, Prof. Petkov may become president of KNSB again.

Mrs. Damyanova called upon the delegates to forget the meekness in their relations with the Podkrepa Labor Confederation (the other major trade union amalgamation in Bulgaria) and turn their back to the KNSB unconvincing stand concerning the government, thus putting an end to all kinds of political loops. In her view, the KNSB has not been defending its independence convincingly. She cited as an example her appeal to Prof. Petkov to ensure participants for a rally in defence of the president.

The delegates to the congress were greeted by president's adviser Boyan Slavenkov and leaders of parliamentary and extraparliamentary parties. There are guests from the International Confederation of Free Trade Unions, the European Confederation of Trade Unions and the International Labor Organization. Deputy Prime Minister Evgeni Matinchev was also among the guests.

Petkov Reelected Chairman

AU1010212493 Sofia BTA in English 1941 GMT 10 Oct 93

[Text] Sofia, October 10 (BTA)—Prof. Krustyu Petkov was reelected chairman of the Confederation of Independent Trade Unions in Bulgaria (KNSB) today. By secret ballot he polled 668 out of 790 votes of the delegates in the third congress of the confederation, which ended here today.

Mr. Ivan Neykov and Mr. Zhelyazko Khristov were elected deputy chairmen after a second ballot with Mrs. Diyana Damyanova (they were deputy chairmen in the old leadership as well). Mr. Ilcho Ilchev was elected chairman of the Central Financial Auditing Commission and Mrs. Emiliya Lyubenova was elected deputy chairman of this commission.

A total of ten candidatures were put up today for the post chairman of the KNSB. Eight of the nominees, including Diyana Damyanova who was believed to be Prof. Krustyu Petkov's principal rival asked to be struck off the list. In an interview for the national television last night, Mrs. Damyanova said that she would decide whether to run for the leading post in the KNSB depending on whether the statutes of the KNSB are changed or not. So far the statutes did not make it possible for a KNSB leader to serve for more than two terms. But after long debates which continued till late last night, the congress adopted by overwhelming majority amendments to the statutes of the KNSB which canceled these restrictions. This made it possible for Prof. Petkov to run for the leading post again.

After his election Prof. Krustyu Petkov announced the future priorities of the KNSB—social security, defence of jobs and real working wages and mass privatization. He also said that in order to continue the democratization of the trade union, in future "it should rely more on its institutions than on its leaders."

Today the congress of the confederation adopted a total of 26 resolutions. Some of these are on trade union policy—free trade union association, social partnership, trade union pluralism and trade unions in the private sector. Others concern the economic and structural policy of the trade union, its attitude to privatization and the land reform.

Resolutions were also adopted on social security, protection of the incomes of the population, the policy on the field of prices, family and social welfare.

In a declaration adopted by the congress on the relations of the KNSB with the political parties in parliament it is pointed out that the confederation will preserve its political independence. The KNSB will formulate its own stands and will express them at its own will through means and partners corresponding to the requirements of the specific moment. Naturally the confederation has its preferences but it should maintain efficient dialogue with any political force or coalition that comes to power in this country by democratic and legal means, it is pointed out in the declaration.

The KNSB is against the interference of the trade unions in political struggles and against trade union dictate on political or state organizations and will not allow interference from outside into its own affairs. The confederation will seek to have its voice in parliament by supporting those parliamentary groups and MP's who show a practical approach, professionalism and realism in overcoming the crisis, the declaration reads.

German Defense Minister on Somalia, NATO

LD0810132693 Berlin ADN in German 1202 GMT 8 Oct 93

[Text] Prague (ADN)—German policy on Somalia is not guided by the steps taken by the United States but by the decisions made by the United Nations, Defense Minister Volker Ruehe told the press in Prague today. However, I would welcome it if Clinton's plan to withdraw U.S. troops by 31 March could be approved by the U.S. Congress, he stated. This would mean nothing would happen overhastily and U.S. measures in Somalia would remain predictable for another half year, Ruehe said. This time could be used by the United Nations to clarify future action in the country, including the possible deployment of UN troops in the north. The minister spoke out in favor of "intensifying political steps." The fixation on one individual has shifted the focus away from political and economic solutions in Somalia, he asserted. A "refocusing on the original UN intentions" in the southeast African country would be welcome, he said.

The defense minister, who is in the Czech Republic for a two-day visit, spoke once again in favor of an opening-up of NATO in principle. However, accepting new members is a long-term process, he said, from which Russia should not be excluded. A strategic partnership between the alliance, which is adapting to the new international conditions, and Russia is the desired goal. NATO, once new members join, will be a new NATO, Ruehe said.

The minister met his Czech counterpart Antonin Baudys this morning. They agreed to expand their "extremely successful" cooperation. This included joint staff exercises "in the near future," in addition to the training of 140 Czech officers, which is already under way in Germany and will be continued. The two sides also expressed the view that there are "opportunities for cooperation in the military area on international peace missions," it was said. No further details were disclosed, but Prague journalists see a direct connection between this and Ruehe's visit to the Czech training camp for blue helmet units near Cesky Krumlov.

Havel Interviewed on Council of Europe Meeting

LD1010175093 Prague Radiozurnal Radio Network in Czech 1315 GMT 10 Oct 93

[Interview with President Vaclav Havel by Robert Tamchyna in the VIP lounge at the old Ruzyne airport in Prague; date not given; from the "Conversations at Lany" program—live or recorded]

[Excerpts] [Tamchyna] [passage omitted] Did the Council of Europe summit in the end succeed in casting off the illusion which you touched upon in your speech yesterday? Specifically, the illusion that to overcome the obstacles and pitfalls Europe is facing at the present time it is enough, among other things, to go from one conference to the next with bulging briefcases and use grand language to disguise what in reality are very basic interests?

[Havel] [passage omitted] I will very briefly sum up the main point of my speech. What I tried to say is basically the following: The great process of integration which is under way in Europe has become a matter of administrative and technical debate and discussion. We are discussing tariffs, quotas, standards. Numerous commissions are buzzing from place to place. They carry the declarations they have made in their briefcases. The main point—namely, the reason for integration—is being lost. Its spirit, its internal ethos, as I call it, is being lost.

We know from history that all large multinational empires, alliances, or pacts which appeared had their own main idea or spirit. They embodied a certain moral obligation to respect the values they were founded on. They had a will to sacrifice some of the particular, immediate interests for the good of the common, long-term interest.

I feel that, these days, this very element is being lost amidst the negotiations on European integration. This is what I wanted to point out, to sound a note of warning. I also wanted to give examples—for instance the inability of Europe to come to terms with what is happening in Bosnia-Herzegovina, to view this in light of the values which Europe quotes when it aspires to integration.

This is what the speech was about. Admittedly it was a provocative speech, which has caused quite a stir. I have noted, though, that it was well received. [passage omitted]

My overall impression from the summit—and I heard the speeches of all representatives of member state delegations—is that the overriding atmosphere of the summit was quite in line with my somewhat provoking voice. The idea often appeared that there have been enough words said and it is now necessary to act and do more. It is necessary to overcome specific, partisan, preelection, geopolitical, and particular interests. One must surpass the idea of historical determination and the emergence of spheres of interest while history is cited, and so forth.

All this must be overcome. Europe has found itself at a historic crossroads. A great opportunity lies ahead for it. More affirmative action is needed. I would also add that great, courageous personalities are needed. [passage omitted]

[Tamchyna] You have talked about finding the spirit of integration in Europe. Maybe there is a slight connection here with the voice of the Sudeten German Landesmannschaft in Austria, which appealed to the Council of Europe even before this institution opened its deliberations to intercede for the annulment of Benes' decrees of

1945. To what extent do you feel that the Sudeten German question is at the moment topical, important for Europe?

[Havel] I do not want to underestimate the subject of Sudeten Germans. I have never underestimated it. It is known that I have frequently been concerned with it. Nevertheless, I must say that this subject is not discussed anywhere or by anyone as much as it is here, and by our media, particularly some of them. Of course, this had not appeared on the summit's agenda at all. These types of letters are being received by this summit by their thousands. [passage omitted]

But I repeat, I do not underestimate this subject and I even want to return to it a little more in future.

[Tamchyna] Mr. President, from the viewpoint of discussions that are taking place in the very heart of NATO, to what extent was the interest in Czech Republic's integration into this organization reflected in your talks at the Council of Europe session?

[Havel] I discussed this point with almost all those I spoke to—various presidents and prime ministers. This is a very topical point at present, because the NATO summit scheduled to take place in January will discuss the issue of the future concept of NATO and its possible enlargement. That's why this is a much discussed topic and why I myself spoke about it. But I will not analyze it in detail right now, because I would like to say what I think about it in my speech to our parliament on Tuesday [12 October].

[Tamchyna] Mr. President, it might be a good idea to recollect what happened in the Czech Republic this week. The point at issue is the territorial and administrative set-up of the Republic. It appears that following the session of the Civic Democratic Party Executive Council last week, this evergreen issue is acquiring a new shape on our political scene. [passage omitted]

Mr. President, how do you feel about the much proclaimed initial phase, or in other words about the reform of state administration from within, which has been in effect going on for three years?

[Havel] I have recalled this topic in our conversations at Lany on a number of occasions. I must admit to being a little concerned. Not because discussion of this topic has been going on for nearly four years, but because it has been a discussion leading nowhere and because the debate on the subject appears to be too slow in achieving a general long-term plan, which could then be split into individual phases.

I personally think that, if results fail to materialize, the matter could turn into a really dangerous issue, an explosive issue. I have certain ideas of my own, but there is no use in my mentioning them now. I think, however, that headway should be made. The parliament should adopt, by the end of the year at the latest, the basic constitutional law on territorial and administrative division, on the relationship between state administration and self-administration, and on the whole complex of related issues. The parliament would then adopt all the 18 or 20 related laws.

There is no way that the whole reform could be completed before local elections [in 1994]. But its first steps should be completed before local elections. I feel that further delay would mean further politicization of the problem and, in the end, this problem could grow into a dangerous phenomenon. [passsage omitted]

Baudys: Army Lacks Funds for Humanitarian Aid

AU0910143693 Prague LIDOVE NOVINY in Czech 6 Oct p 3

[Interview with Defense Minister Antonin Baudys by "pj"- signed LIDOVE NOVINY correspondent; place and date not given: "A Question for Czech Republic Defense Minister Antonin Baudys"]

[Text] [Correspondent] A representative of the High Commissioner for Refugees bemoaned recently the fact that he has no chance of delivering humanitarian aid to Sarajevo. Would the Czech Army be willing to provide—as several NATO-member countries have—a military aircraft? Moreover, it would be an opportunity to act like the Alliance and thereby become closer—albeit indirectly—to it.

[Baudys] When you phrase it this way, it looks like a good idea. Nevertheless, it is a very expensive proposition. We would gladly help with the humanitarian aid flights, but the question is, who will cover the cost? If UNPROFOR [UN Protection Forces], the UN, or sponsors do not pay, it is up to the Army, and the Army does not have any funds for this purpose. If the Czech Government allocated some money from the budget for this aid, it would be possible. The government will not give any money, however, for anything but truly urgent humanitarian assistance.

We have made several other steps toward NATO. We have organized several training courses in Cesky Krumlov, a seminar in Prague for high ranking officers—both ours and NATO—and lower-ranking UNPROFOR officers, and all these actions met with a favorable response.

Lux Views Obstacles to EC Membership

LD0810203293 Prague CTK in English 1930 GMT 8 Oct 93

[Text] Prague, Oct 8 (CTK)—The Czech Republic's agricultural policy and trade barriers erected by European community (EC) countries are potential obstacles to Czech membership of the EC, Minister of Agriculture Josef Lux said today.

Lux is to discuss membership conditions with EC representatives during his visit to Brussels on Monday.

He said the Czech Republic would strive for trade liberalisation and greater access to the European market. First of all it is necessary to create better communication bridges between the EC and the Czech Republic. Czech laws should also move closer to veterinary, phytologic and quarantine laws valid in the EC, he told reporters.

An EC working commission is soon to examine Czech relations with the EC in the field of agriculture.

He pointed out that all countries wanting to enter the Uruguay round of the General Agreement on Tariffs and Trade (GATT) would have to lower their customs duties by an average of 36 per cent and by a minimum of 15 per cent on certain commodities.

The Czech Republic has already worked out its proposals for tariff reductions, said Lux. He added, the Czech Republic has to transform non-tariff market-protecting instruments, such as compensatory grants and licences, to tariff form, especially customs duties.

Government Approves Law on Early Retirement

AU0810122993 Prague CTK in English 2011 GMT 6 Oct 93

[Text] Prague, Oct 6 (CTK)—The government approved a bill on the early provision of pensions, which would change the law on employment, at its session today, Czech Prime Minister Vaclav Klaus said at a press conference after the session.

Klaus said that the government had also looked at the bill at its last session. Today, he said, it decided on the method of calculating early pensions. The government chose a solution by which pensions will be temporarily lowered by an average of 300 to 500 korunas (Kc, $10-17) monthly against normal calculation until the standard age limit established for retirement is reached. Afterwards, he said, pensions will be calculated normally.

Another method of calculation considered by the government, he said, would have entailed a less drastic lowering of pensions, but it would have remained in effect for the entire period of drawing them, i.e. from retirement until death. The government decided against this method.

If the bill is passed by parliament, the possibility of early retirement up to two years before the set age limit will be preserved, Klaus said. Conditions for granting it, however, will be tightened. Those interested in early retirement will have to have worked for 25 years, will not be allowed to have another source of income and will have to be considered unemployed for 180 days.

Impact of Nuclear Power Plant Assessed

AU0810122893 Prague CTK in English 1905 GMT 6 Oct 93

[Text] Trebic, south Moravia, Oct 6 (CTK)—A group of over thirty specialists will conduct tests to find out exactly what effect the Dukovany nuclear power plant and the Dalesice reservoir are having on the environment.

The government has decided that the project, which will be completed in 1996, is to be financed by the foundation of ecology and energy using funds provided by the electricity utility, Ceske Energeticke Zavody (CEZ).

Residents from the regions surrounding the plant had requested the tests be conducted during special regional proceedings that were carried out in order to gain permission for the building of an in-process storage area for spent nuclear fuel at the Dukovany power plant.

During these proceedings, local inhabitants had protested against the building of the storage area. Since then complaints have also been made about lack of compensation for the damage done to the environment by the Dukovany nuclear power plant, the refuse incinerator in Oslavany and the military air base in Namest nad Oslavou.

The high level of protests prompted the government in March 1992 to charge the Ministry of the Economy with the task of evaluating claims for compensation payments.

The main organizer of the research project is the West Moravian Museum in Trebic which monitored the local environment between 1975 and 1981. The museum will use records dating back to 1920 to assess the influence of human activities on the flora and fauna of area.

In April of this year planning permission for the in-process store was gained. After construction permits are obtained building will begin and should be completed in 1994. If it is proven that either the nuclear power plant or the in-process store are causing harm to the environment, the findings of the research project will be used as a basis for making compensation payments.

Decrease in Industrial, Construction Production

AU1110180093 Prague CTK in English 2044 GMT 7 Oct 93

[Text] Prague, Oct 7 (CTK)—The Czech Republic's industrial production in the first eight months of this year was 5.1 percent lower than in the same period last year, as was construction production by 4.8 percent, announced the Czech Statistical Office (CSU) to CTK today.

In August alone, industrial production reached 95.3 percent of that in 1992 in comparable prices and construction production 98.6 percent. The increase in current prices represented 4.8 percent in industry and 20.7

percent in construction this past August and 5.2 percent and 17.7 percent respectively from the period January to August 1993. Data was obtained from companies with 25 and more workers and supplemented with an estimate for smaller companies and physical persons.

Data from companies with 25 and more workers also document that the average monthly wages in industry increased by 28.3 percent since august 1992, reaching 5,743 korunas (about $190), while in construction it increased by 33.8 percent to 6,586 korunas.

The number of workers fell in industry by 6.4 percent to 1.4 million persons and in construction, employment grew by 4 percent to 222,900 persons. Larger companies, both industrial and construction, are showing moderately worse results compared to last year than small firms.

Reductions in Army Personnel, Property Outlined

AU0810121293 Prague TELEGRAF in Czech 6 Oct 93 p 2

[CTK report: "Reducing the Amount of Property and the Number of Personnel"]

[Text] Plzen—Some 33 of the 83 military units in western Bohemia have been dissolved during the past two years in connection with the transformation of the Military Command West into an Army corps. This statement was made to reporters yesterday by General Jan Stanek, chief of the Military Command West Staff.

He added that the number of garrison personnel has also been reduced—by 9,400 out of 21,000. The number of military vehicles has also been reduced from 4,730 to roughly half this number. The Army has transferred 76 properties worth 394 million korunas [Kc] to educational, social, and health care organizations; of this, property worth Kc338 million was transferred in return for remuneration. Another 141 military facilities are currently being prepared for handover. According to Stanek, Army property in western Bohemia is worth some Kc13.67 billion. The lack of money is also being reflected in the career soldiers' salaries. Low salaries and uncertainty are two of the reasons many soldiers are seeking a career elsewhere. This is also probably one of the reasons for the rising crime rate in the Army, which has gone up by almost 60 percent compared with the 1991-92 period. However—according to Stanek—recruitment has improved. Of 6,000 draftees, only four have refused to accept their call-up orders.

Meciar Lists Four Spheres of Social Transformation

AU0810182293 Prague CTK in English 1606 GMT 6 Oct 93

[Text] Bratislava, Oct 6 (CTK)—Addressing the National Council of the Slovak Republic (parliament) today, Slovak Prime Minister Vladimir Meciar outlined the characteristics of the four spheres of social transformation—making over the political system into a democracy, creating a market economy, changing the system of social relations and the moral rebirth of society.

Meciar spoke about putting into effect the program announced by the Slovak Government in April 1993 and the wide array of tasks ensuing from it.

The strategic aims of economic reform, he said, were implementing a neutral monetary policy, abandoning severely restrictive policies, continuing work to stabilize the budget, helping enterprises out of debt, and privatizing and internationalizing the Slovak economy.

In the area of the moral revival of society, Meciar said that some of the foremost tasks were to strengthen the legal code, build a structure of central bodies, and prepare changes in the local and territorial administration of the state.

We have the faith of the twelve states of Europe, let's not do anything to damage this faith, Meciar said regarding Monday's signing of the Association Agreement Between the European Community and Slovakia.

Prime Minister Discusses Parliament, NATO

LD1010211493 Bratislava STV 1 Television Network in Slovak 1810 GMT 10 Oct 93

[Regular television address by Prime Minister Vladimir Meciar; place and date not given; from the "Ten Minutes with the Prime Minister" program—live or recorded]

[Excerpts] Good evening, esteemed fellow citizens: The program "Ten Minutes with the Prime Minister" has its history. [passage omitted]

Following an agreement reached with the television, my address to you today, broadcast within this program, will be the last one. There will be regular programs on Tuesdays, in which the government will give information. This program will include a section for direct addresses by the prime minister or other members of the government. The program will be approximately 50 minutes long. If necessary, the program will be extended to one hour.

If the viewers are greatly interested in the 10-minute program, in spite of its not being scheduled for the next week, we could reassess the situation. [passage omitted]

Allow me to impart on you my view on some events that took place here at home and abroad last week.

The way in which the parliament wound up its last session was not exactly respectable. As you could have heard in the [Slovak television program] "Kroky," knives are being sharpened to be used at the next session. We are facing a political task of how to find at the next parliament's session a link between individual hatred and egoism on the one hand and state and political interest on the other. Although many say they have a will to reach an agreement, none of them, with the exception of Slovak National Party, tabled any proposal on the agreement with the government. But there is yet another option—he who sows the wind reaps the storm and unrest and generates uncertainty. What should a citizen do in this situation? To be honest, even though I am the prime minister, I am also a citizen and the post of prime minister is not a life-time job. This job is a result of the trust showed to us in the elections and a confidence in the parliament in the period between elections.

It is not fair, however, that you, who supported us and who entrusted us with a difficult job—and we told you that for the next two years we would face nothing but blood and tears—are becoming indifferent toward public matters. The strength of our position is based on civic support. In no case am I going to resort to intrigues, to behind-the-scenes practices, to undignified actions in order to defend my prime ministership.

I wanted to be prime minister of Slovak Republic citizens. The stability of the country is being assessed according to the degree of their support—no matter whether this is the support for the movement I represent or support for me personally. Should this support be reduced, the stability will logically be seen as a diminishing one. Thus, adopting an indifferent approach to public affairs is the worst possible thing you can do in this situation, for passivity is the worst phenomenon capable of having a negative impact on a citizen. [passage omitted]

Last week we had talks abroad on various levels. I visited three different places while abroad. Foreign Minister Moravcik was also abroad. If they criticized us for not talking to each other, they were actually right. We could not do so because he was in the United States and I was in Europe, in other cities. [passage omitted]

As far as questions related to NATO and considerations given to Slovakia are concerned, the situation is the subject of discussions. Certain positive changes are taking place also under the impact of the Russian events, I assume that Slovakia will not be treated differently from the Czech Republic and our partners Poland and Hungary. It is a clear signal to us above all because we are seeking guarantees of a security system. We are seeking good relations with everyone in Europe. We are seeking agreements with partners in Hungary and that is why negotiations will start soon on preparing the so-called grand treaty [velka zmluva], including the clause on border recognition. [passage omitted]

How should politicians be judged? By their deeds. Those who have failed, those who have lost in difficult moments should consider the degree of their influence. Also the citizen should then consider the degree of his trust. So when you come to sit before your television screens next Sunday evening and I will not be talking to you, it will not be through my not thinking about it. If you wish to do so, write. I thank all those who have given me their support; I also thank those who switched me off when I appeared, and those who wrote their reactions after each Sunday broadcast. Good luck and goodbye.

Moravcik Interviewed on Relations With Meciar

LD0810142793 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 0600 GMT 8 Oct 93

[Excerpts] Jozef Moravcik, Slovak minister of foreign affairs, returned last night from an official visit to Mexico. The visit was preceded by Moravcik's attendance at the 48th session of the UN General Assembly. Even though the opening of his news conference dealt with the outcome of his trip, journalists were more eager to hear about the much discussed personnel issue, so to speak. Afterward, Jozef Moravcik granted an interview to our editor Dalibor Hladik. We now present highlights of this interview.

[Begin recording] [Hladik] [passage omitted] At a news conference by his party, the Alliance of Democrats, Milan Knazko [former Slovak foreign minister and former deputy chairman of the Movement for a Democratic Slovakia] said—I quote, Slovak Prime Minister Vladimir Meciar is no longer on speaking terms with Jozef Moravcik. There is a chance, however, that Moravcik could be offered the post of deputy prime minister. If not, Jozef Moravcik will leave the government, end quote.

[Moravcik] My only comment is that I have not contemplated anything of the kind and that no one has discussed this matter with me.

[Hladik] Possibilities of your future posts are being contemplated while you are still in your present post. We have just mentioned the deputy prime ministership. Some considerations even appeared about the post of prime minister. Reports have already appeared that representatives of the opposition would be willing to form a broad governing coalition with the Movement for a Democratic Slovakia [HZDS] providing that you replace Vladimir Meciar as the head of the movement.

[Moravcik] In my view this is a speculation because the post of prime minister requires a great deal of political trust and a great deal of political support. It cannot be a result of some cabinet talks or scheming.

[Hladik] CESKY DENIK said yesterday that HZDS representatives no longer attempt to conceal the deepening differences between the prime minister and yourself. Do these conflicts exist?

[Moravcik] At the present time it is difficult to speak about deep conflicts between me and the prime minister. I am really unable to comment on this issue in any other way. [end recording]

Defense Minister on Modernization of Army

AU0910151193 Bratislava SMENA in Slovak 6 Oct 93 p 4

[Interview with Defense Minister Imrich Andrejcak by Ronald Brhlik; place and date not given: "In a Few Years, Slovakia Will Replace Its Arms"]

[Text] [Brhlik] Minister, upon returning from Hungary, you said that Slovakia would be modernizing its military equipment. One of the reasons for this modernization is the efforts to secure the salability of the arms when new hardware will be bought. Are we going to orientate ourselves toward arms from Western manufacturers?

[Andrejcak] I am certain that this is the case. There is a possibility, however, that the democratic developments in Russia will progress rapidly, and it will no longer matter where we purchase the arms. In the meantime, it seems that we will shop in the West. If we want to join NATO, we must have compatible weapons. That does not mean identical types of arms but identical ammunition, for instance, and communications.

[Brhlik] How long do you expect it will take before rearmament begins?

[Andrejcak] According to what we know today, it will take at least five years before we start. It is difficult to predict how rapidly it will be done. I am convinced, however, that when the time comes, we will have a budget for the program. Parliament will decide on the introduction of new models, and also on the time the program is to be launched. It will be an entirely different concept from the present one.

Toth Views Sugar Scandal, Washington Talks

AU0910144293 Bratislava SLOVENSKY DENNIK in Slovak 4 Oct 93 pp 2, 3

[Interview with Finance Minister Julius Toth by Peter Toth; place and date not given: "The First Bankruptcy To Take Place in a Month"]

[Excerpt] [Passage omitted] [Julius Toth] Sugar was among the commodities that we received as compensation for our claims. Slovakia did not need this sugar. That is, we did not have room to store it. So, why did we buy this sugar?

[Peter Toth] It was a misunderstanding. The Finance Ministry does not buy and sell commodities. The ministry arranged the unfreezing of the claim for the firm. This means that the ministry concluded an agreement with the firm allowing it to use India's clearing rupees for their business activities, and they paid us a certain percentage in hard currency. No sugar, mutton, grapes,

or any other product was involved. The Finance Ministry deals only in financial matters. For example, I could make the following agreement with you: Here is 900 million Indian rupees; you will pay me so many dollars, and your profit will be so many percent.

[Peter Toth] According to the information available, the sugar was reexported, which is in violation of the agreement with the Indian partner. What is your view?

[Julius Toth] I arranged the unfreezing. I did not import or export anything. If someone is engaged in a business operation, it is his business secret how he will get the money that he plans to give me.

[Peter Toth] Who is then responsible for the fact that the agreement was violated?

[Julius Toth] What agreement was violated?

[Peter Toth] The agreement that the sugar could not be reexported.

[Julius Toth] Whoever arranged the unfreezing and the firm that did it. Not the Finance Ministry.

[Peter Toth] The prime minister said that the Indiagate affair has had an adverse effect on your visit to Washington for talks with the IMF and the World Bank. Can you confirm the information provided by the prime minister?

[Julius Toth] I can only say that all of them were staring strangely at a minister who—together with other ministers of the Slovak Government— had stolen $22 million. Any attempt to explain things had a negative impact on my contacts with all my financial partners.

[Peter Toth] What were the talks in Washington about?

[Julius Toth] It was actually an IMF anniversary meeting. Since all the IMF members were present, we could have bilateral discussions about our relations with the World Bank, the European Bank for Research and Development, the European Investment Bank, and the IMF. With IMF Managing Director Camdessus, we discussed the fulfillment of the agreements that we had concluded, and the macroeconomic situation in the Slovak Republic. I was surprised that Mr. Camdessus's view on the progress of the Slovak transformation process was positive. In essence, I can say that they did not reproach us for anything, and they were absolutely satisfied with the progress of transformation. I explained what difficulties we have had to face when pushing for social transformation. They acknowledged that transformation is a painful matter everywhere. I said that we were behind [with the transformation], but the Slovak Parliament would debate this problem once again. I also had a meeting with World Bank officials. We should receive a loan amounting to $125 or $150 billion to implement structural changes. After that, we should receive from our Japanese partners a loan the same size as that of the World Bank. This loan is for the purpose of supplementary financing [doplnkove financovanie]. After the agreement is concluded, the National Bank of Slovakia could receive 140 million ECU from the European Investment Bank.

[Peter Toth] Was any recommendation—in the form of a resolution—suggested to the Slovak Republic at these meetings?

[Julius Toth] No resolution was adopted, since the IMF and the World Bank are now assessing their activities. U.S. Treasury Secretary Benson and the Russian Finance Minister gave their opinions about Slovakia. I can say that everyone who spoke about Slovakia had a positive opinion when they referred to the group of countries to which we belong. At the U.S. Treasury Department, I had a long debate about our problems, where we assessed our successes and failures. I had a very good feeling when I left the ministry.

[Peter Toth] Could you describe some of these successes and failures?

[Julius Toth] There is double digit inflation and economic decline all over the world—not just in Slovakia. Sweden incurred a deficit of 15 percent of its gross national product, while our figure is approximately 4 percent. We have inflation of about 18.6 percent. In this figure, 8 percent is accounted for by the value-added tax—which we should subtract since this part of inflation was induced by the introduction of systemic changes—and 3 percent came from price adjustments ensuing from the liberalization of prices. The remainder ensues from our economic policy. Everyone says that these figures are not bad or pose a threat. We are 57th on the list of countries evaluated for their performance during the process of economic transformation. Only the Hungarians and the Czechs are in a better position. [sentence as received] Everyone says, however, that within a short time—a year, or year and a half—we will overtake Hungary, and we will closely follow the Czech Republic. Despite the fact that our trade surplus has declined, we still have either a surplus, or our trade balance is in equilibrium.

The world saw Slovakia in the light of catastrophic predictions of chaos in March, and investments becoming unprofitable. I met a group of investment companies in New York. All of them want to come to Slovakia to set up an investment company in Bratislava, which would enable them to participate in the second wave of privatization. After assessing their capital, I believe that they could buy the whole of Slovakia, the Czech Republic, Hungary, and Poland, and they would still keep half of their money.

[Peter Toth] Despite these positive factors, the privatization process is proceeding slower than in the Czech Republic, and the state is still supporting unprofitable enterprises. What should we do next?

[Julius Toth] I do not agree with your second statement. The state does not support nonprofitable enterprises. Go and ask the General Credit Bank. They will tell you how

many enterprises have filed for bankruptcy, or have demanded that a general meeting be held to decide whether the enterprise should go bankrupt or whether an agreement should be concluded [to prevent bankruptcy]. The state administration cannot decide these things. The people who participate in a creditors' meeting have the power to replace the entire management. The rights of the owner—the state—have been restricted.

On the other hand, I agree that privatization is proceeding slowly. We have to speed it up. This will also be recorded in the minutes of our meeting with the World Bank.

[Peter Toth] When we can expect the first bankruptcy to take place in Slovakia?

[Julius Toth] Within a month, in my estimate. But ask the people who are keeping these enterprises going—the banks.

Parliament Sets Up Inquiry Into Sugar Scandal

AU0910144093 Bratislava REPUBLIKA in Slovak 6 Oct 93 p 2

[TA SR report: "The Deputies' Final Word"]

[Text] Bratislava—Contrary to plan, the 22d meeting of the National Council of the Slovak Republic [NRSR] did not begin until the afternoon. This decision was made by the Political Board of Parliament, the meeting of which was suggested by the For a Democratic Slovakia Movement and the Slovak National Party clubs of deputies. The deputies decided that two bills would be presented for debate at the 23d meeting of the NRSR, which will be held after 20 October.

The deputies voted to approve the establishment of a parliamentary committee to deal with the "Indiagate" affair. Of the 113 deputies present, 62 voted yes, 19 were against, and 22 abstained. According to Gasparovic, the names of the members of the commission will be announced on 7 October.

The deputies are entitled to know what problems the government is solving. This is what Milan Knazko (Club of Independent Deputies) said. In his opinion, there are unanswered questions that are being put under the veil of state secrets.

On the recommendation of the Political Board, the Slovak Parliament should also deal with the Vienna arbitration case of 1938. Milan Knazko does not expect that the NRSR will adopt a resolution regarding the anniversary of the Vienna arbitration case.

After the government bill on the Slovak Chamber of Forestry has been approved, deputies debated the amended bill on the establishment of the office of the NRSR plenipotentiary for defense. The bill was proposed by deputy Jan Slota (Slovak National Party).

During the debate, Milan Secansky, chairman of the Constitutional and Legal Committee, expressed doubts as to whether the plenipotentiary will be able to scrutinize the implementation of the national security doctrine and the combat readiness of the Army.

After the final voting by the deputies, it became patently obvious that the bill on the NRSR plenipotentiary—as proposed by Jan Slota—is contradictory. Of the 133 deputies present, 55 voted for the bill—which had been amended several times after discussion—16 were against, and 42 abstained.

After the debate on this bill yesterday, the 22d meeting of the NRSR ended.

KDS: Early Elections 'Only Realistic Way Out'

AU0810181893 Prague CTK in English 1145 GMT 6 Oct 93

[Text] Bratislava, Oct 6 (CTK)—Almost ten thousand Slovaks have already signed a petition for an early general election which was organized by the Party of Conservative Democrats (KDS), party chairman Pavol Hagyari said today.

He said the KDS considered early elections to be the only realistic way out of the social crisis.

Speaking at a party press conference, he said that he did not expect elections within a year. In this period the situation would worsen further and the popularity of the governing Movement for a Democratic Slovakia (HZDS) dwindle. According to KDS Deputy Chairman Jozef Bednar, 41 percent of Slovaks want a change in the economic situation and as many as 48 percent want political change.

Members of parliament will not be well-disposed towards the Party of the Democratic Left (SDL) attempts to have new elections called because they would be unable to give up their mandates, said Hagyari. Therefore the KDS had organized a nationwide petition.

The 10,000 signatures were collected within three days, he said. 350,000 are required for an election to be called.

Hagyari declared that although the Right had fared poorly in the last elections because of being fragmented, today it was ready and waiting to enter parliament.

Report on Payments Situation With Czech Republic

AU1010160293 Bratislava PRAVDA in Slovak 2 Oct 93 p 2

[TA SR report: "The Payments Situation With the Czech Republic"]

[Text] Bratislava—In payments with the Czech Republic, the Slovak Republic—as of 30 September—has a debit balance in the new block amounting to 1.14 billion ECU and a credit balance amounting to 14.6

million ECU, which is some 550 million korunas [Sk]. Dr. Rudolf Pozgay, chairman of the board and director general of the Bank Clearing Center of Slovakia, said yesterday that settlement was reached by the mutual clearing of outstanding claims.

The high credit balance which the Slovak Republic had in August in payments in the new block (payments after currency separation) has been eradicated by the Republic's debit balance in the old block (payments before currency separation). A more significant increase in the credit balance in the new block took place in the second half of September. Two days ago, the debit balance was transformed from its original Sk400-million deficit into a credit balance amounting to Sk660 million due to an increase in payments of Sk1.2 billion.

The mutual balance in the exchange of goods between the Slovak and Czech Republics during the first half year can be described as offset. According to the figures from the Slovak Statistical Office, during the first six months of the year, it amounted to Sk350 million against Slovakia. Slovakia has an active balance in the processing industry, Sk4.26 billion, and a debit balance in the mining of mineral raw materials and in the production and distribution of electricity, gas, and water. In the second quarter of 1993, compared with the first quarter, the sale of goods to the Czech Republic declined by 3.6 percent. The overall volume of the sale of goods from the Czech Republic to Slovakia increased in the second quarter by 7.3 percent compared with the previous quarter.

Poll Shows Meciar Still Most Trusted Politician

AU1210094193 Bratislava REPUBLIKA in Slovak 8 Oct 93 p 2

[TA SR report: "Most for Meciar, Least for Miklosko"]

[Text] Prime Minister Vladimir Meciar is the most popular politician in Slovakia. He is trusted by 22 percent of citizens, 2.0 percent fewer than in July. This information comes from a public opinion poll conducted by the Slovak Statistical Office in the first half of September. President Michal Kovac comes second with 17 percent (23 percent in July) and Peter Weiss is third with 15 percent (19 percent in July). They are followed by Ivan Gasparovic—8.0 percent (11 percent); Roman Kovac—6.0 percent (5.0 percent); and Jan Carnogursky—4.0 percent (4.0 percent). Milan Knazko received 3.0 percent (4.0 percent). Two percent of citizens think that Josef Prokes, Frantisek Miklosko, and Rudolf Filkus are trustworthy politicians.

President Pleased With Visit to Netherlands

LD0810125593 Budapest MTI in English 1049 GMT 8 Oct 93

[Text] Amsterdam, October 7 (MTI)—Hungarian President Arpad Goncz highly appreciated the warm atmosphere created by his hosts during his three-day visit to the Netherlands, ending on Thursday.

'We did not have to overcome any opposition, everywhere the Hungarian guests were surrounded by the maximum possible attention, interest and readiness to help,' Goncz told Hungarian journalists accompanying him on Thursday.

He especially appreciated the hospitality of Queen Beatrix, and that of the Dutch royal family, going far beyond the obligations of protocol.

Goncz's and his entourage's talks in the Netherlands aimed at expanding Hungary's export and boosting Dutch investment in Hungary.

With its annual USD 12-13 billion of investment, the Netherlands is one of the largest capital exporters in the world. Within that, the share of USD 300 million Hungary has got, although not small, may still be termed modest, Goncz said. He added Hungary's requests as well as its guarantees promising political and economic stability were received favourably by Dutch partners.

Hungarian proposals to train Hungarian students and young graduates in the Netherlands and to jointly use Hungary's scientific research potential also met approval.

Another focus of Goncz's talks in the Netherlands was Hungary's endeavour to join the European Community and NATO.

The sides agreed that, to promote EC-Hungary ties, the association council should be set up soon, possibly this year, Goncz reported.

As regards NATO membership, the visit took place at a time when the international opinion on the issue has changed several times.

'We emphasized that the issue must be viewed as a process and handled as part and parcel of a complex European security system,' Goncz remarked. He said Hungary does not see any sense in setting arbitrary priorities concerning future EC and NATO membership. The two issues may not be closely linked but may not be handled separately, either, he said, and added the view was shared by Dutch partners as well.

To questions about developments in east-central Europe, Goncz said the issue of the Russian crisis had been discussed at all his meetings.

As regards Hungary, he said, the guarantees the country offered for political and economic stability seemed to be accepted by Dutch partners.

'We assured our partners that next year's elections will not affect the country's fundamental direction, including ties with the EC and with the Netherlands,' he said.

Summing up results of the three-day visit, he said, the sides have not signed any agreement or joint statement because this was not the goal of the talks. The visit served mainly to intensify bilateral ties and it has fulfilled expectations in that.

Winding up the visit, Goncz will return to Budapest Thursday night.

Szabo: Financial Infrastructure Key to Development

LD0910093693 Budapest MTI in English 1956 GMT 8 Oct 93

[Text] Budapest, October 8 (MTI)—Before year end, tenders for the sale of all 1,800 companies now handled by the state property agency will be announced, and the privatization of banks and telecommunications will also be launched, said Tamas Szabo, minister without portfolio in charge of privatization, at an entrepreneurs' forum on Friday, the opening day of a Hungarian Democratic Forum [HDF] National Board Session in Eger, north Hungary.

Szabo said a key issue in getting the economy back on its feet was putting the financial infrastructure in order. For that, privatizing banks is essential, he added. The expansion of credit opportunities is served by a bank and debtor consolidation programme, which is to receive USD 400 million support from the world bank this year.

On the first day of the HDF National Board session, HDF politicians met leaders of the local municipalities of Eger and Heves County.

On Saturday, the board will hold a closed session.

Ship Detained on Danube by Serb Organizations

LD1110154193 Budapest MTI in English 1427 GMT 11 Oct 93

[Text] Budapest, October 11 (MTI)—The Hungarian Shipping Company (Mahart) boat "Eger", bound for the Black Sea, has been detained on the Danube near Belgrade under blockade by the Serbian organizations "White Rose", and "New Byzantium", since October 1, Mahart department-head Laszlo Koszonics told MTI on Monday.

This is the second time that vehicles of the two Serbian organizations have blocked international water traffic to protest against the U.N. embargo on Serbia.

Twenty ship convoys from various nations are presently waiting on the Danube for release.

Hungary has no other boats on the critical river section.

Although the "Vac" has set out from the Black Sea port to Hungary, it has not yet reached Yugoslavia, and will not enter Yugoslav borders while the blockade is on.

Ministry Wants More Money for Military Production

AU0810163093 Budapest NEPSZABADSAG in Hungarian 8 Oct 93 p 4

[Unattributed report: "The Defense Ministry Requests Extra Money for the Military Industry"]

[Text] We have already reported that, according to the head of the Defense Ministry's Material and Technical Main Department, in 1994, the state should finance the military industrial investments in separate programs because the Ministry's planned budget is not sufficient for this. Answering NEPSZABADSAG's question, Istvan Szarka, leader of the relevant department in the Industry and Trade Ministry, confirmed that they agree with the development plans but no decision has been made on financing these. According to our information, the Finance Ministry does not see any possibility of covertly increasing the defense budget.

The leader of the formerly independent Military Industry Office, which operates as a main department of the Industry and Trade Ministry, told NEPSZABADSAG that, for various reasons, the Army has postponed the preparation of the long-term military technology development plan. The main department, together with Army experts, drew up a product-orinted development program because the Army's technical equipment needs continuous replacement, development, and maintenance. Istvan Szarka said it is a basic interest of the national economy that the Army buys Hungarian products whenever possible. There are a number of possibilities to finance the aforementioned project, he said. Separate funds can be established for this in the budget. This would mean that, in addition to the relevant ministry receiving central funds, the Army would receive some 2 billion forints for each of vehicle development, purchasing electronic equipment, and maintaining aviation technical equipment. However, Szarka also thought it possible that a part of the Defense Ministry's budget be used for these investments. He also considered payments possible through various barter deals and joint production. He said that the ideas were being discussed, therefore, a final decision has not yet been made.

In reply to NEPSZABADSAG's question, Major General Nandor Hollosi, head of the Defense Ministry's Material and Technical Main Department, said that the age of 8,000 Army vehicles is over 15 years, or even over 25 years in some cases, and their replacement cannot be avoided. Hungarian industry would be able to fulfill this requirement because the development plans of the special purpose cars and buses are completed. According to Hollosi, if the Ministry had money for the investment, all it would have to do is place an order.

HDF National Board Holds Session in Eger

AU1210093693 Budapest MTI in English 1915 GMT 10 Oct 93

[Text] Budapest, 10 Oct (MTI)—The National Board of the Hungarian Democratic Forum (HDF) has ensured Hungarian Prime Minister Jozsef Antall, currently undergoing medical treatment abroad, that he would head the HDF national list in 1994, and would again act as prime minister of the Republic of Hungary inasmuch as the HDF wins the 1994 elections, HDF Spokesman Karoly Herenyi told journalists on Sunday [10 October].

Herenyi was reporting about the HDF National Board's three-day session held in North Hungarian Eger.

He said State Secretary for Agriculture Laszlo Medgyasszay analyzed the situation of agriculture and discussed the financing problems of the branch. Based on this, the board will propose the party's parliamentary group to call for the enactment of laws on land, hunting, forestry and pastures, for amending the law on cooperatives, and for easing the withdrawal of members from cooperatives.

HDF Deputy Chairman Peter Nahimi delivered a paper entitled "National Future Image," in which he pointed out that two of the three criteria of the change in political system have been realized: the law-governed state and market economy. However, the mechanisms of a civil society, which complement the work of parliament and the government, still need to become operable.

Former Minister of Culture and Education Bertalan Andrasfalvy discussed educational issues at the session. He said one of the most important issues for the rise of the nation is that professionals stay in Hungary. In this interest, efforts should be made to intensify an awareness of national identity.

HDF Deputy Chairman Ferenc Kulin stressed the importance of Hungarians acting as initiators and coordinators of economic and cultural processes in the region.

In conclusion, Herenyi announced the National Board had approved, with a provisional nature, the organizational and operational rules of the party's national office, and had finalized the disciplinary and ethics rules that were so far only provisional.

Accord Likely; Unofficial Candidates Named

WS1110120093 Warsaw RZECZPOSPOLITA in Polish 9-10 Oct 93 pp 1, 2

[Report by E.Cz., E.K., and E.O.: "There Is a Chance That a Government Coalition Will Be Formed"]

[Text] "After today's meeting, the Polish people should know that everything is going along well. There is a chance that the government coalition will be formed," said Aleksander Kwasniewski following a meeting of the leaders of the Democratic Left Alliance [SLD], Polish Peasant Party [PSL], and the Union of Labor [UP] and their teams of experts, who had been working on the main principles of the coalition's socioeconomic program. In line with the official communique, "the experts' work was highly evaluated at the meeting, and prepared documents were approved; it was decided that these documents would be presented to the statutory organs of PSL, SLD, and UP, so that they can make binding decisions."

Closer and Closer

"Definitely yes," answered Kwasniewski (SLD) when asked whether the parties' leaders would recommend to their statutory organs that the coalition be established. "We will recommend that such a coalition be formed on the terms defined in the coalition agreement; we will also suggest approving the socioeconomic program."

"The election results are so unequivocal that this issue was already decided on 19 September," said Waldemar Pawlak (PSL), trying to evade an unambiguous answer. When journalists pressed and asked whether he would recommend the draft, he reiterated that he would present the agreed drafts to the statutory authorities.

"Issue Is Simple"

"Mr. Chairman, come on, say yes," Kwasniewski helped the journalists.

"Yes, to a large extent. I think that my colleagues will also report on the talks and make their recommendations," said Pawlak.

For Ryszard Bugaj (UP), the issue is simple: "We will introduce a few new social and economic elements into the document. Our colleagues in PSL and SLD agreed that on Saturday [9 October] we will begin consultations on foreign policy and issues related to internal security; we believe that we will also reach agreement in those areas. There is one controversy: Should the coalition agree on the manner of the formation of the Presidium of the Sejm? We are against this. If we reach agreement in these areas, we will ask our colleagues for approval."

According to UP, two issues are open—the Program of Mass Privatization and the need for the coalition members to make an unequivocal stand on the issue of Poland's joining NATO.

Who Will Be Sejm Speaker

Asked whether the parties have reached at least some agreement on the issue of the Sejm speaker appointment, Waldemar Pawlak conceded: "We have had preliminary talks on this and the compromise should also reflect the will of the voters, expressed on 19 September."

Asked to make a more "explicit" statement, he added: "The draft of the coalition agreement has been presented; this compromise should also reflect the decisions that were made by voters on 19 September. We should not talk about decisions that are reserved for the statutory organs of the political parties. I do not think that we are going to have any surprises."

The stands of the three parties on the issue of the Sejm speaker have not changed. The candidates, however, have changed. At first, the candidate for speaker was Wlodzimierz Cimoszewicz; recently it has been Jozef Oleksy. SLD hopes that this issue will finally be decided at the next meeting of the leaders, which is scheduled to take place two days before the Sejm session begins—on 12 October, after meetings of the SLD, PSL, and UP statutory organs.

Why Pawlak Is Not Saying Anything

Unofficially, there are rumors that a coalition agreement has in fact already been reached. PSL authorities are said to have accepted the configuration of Pawlak as prime minister and Oleksy as Sejm speaker.

The unequivocal statements by the PSL leader made at the press conference result from opposition within PSL, which is becoming increasingly evident. Many members of the Chief Council, which is supposed to make the final decision concerning the party's participation in the coalition, would be happier to see Jozef Zych holding the office of the Sejm speaker rather than Pawlak being the prime minister. This is one of the elements of a broader concept of "the second line," that is, not getting into the lead of the coalition and having the post of the speaker, controlling some economic ministries, and appointing voivods. It is for this reason that Chairman Pawlak and his advisers could not say before the session of the Chief Council, the most important statutory organ of PSL, that the most fundamental matters had already been decided. The Tuesday session of the Chief Council may be a test of forces between Pawlak and the council's chairman. It is not certain who will win—supporters of Pawlak or advocates of Zych. However, a lot seems to indicate that it will be Pawlak. If the forces turn out to be more or less equal, then the deputies' club may or may not be obligated to vote unanimously for one option. In such a case, the stand of the club will be deciding. This was indirectly confirmed by one of the PSL leaders, who said that the Tuesday session of the council will not be "that important." "It will only help us agree on a strategy. A kind of a preliminary love play. Thursday, that is to say, the actual vote, will be most important," he said.

Therefore, the possibility cannot be ruled out that even after the internal decisions are made, after accepting the coalition agreement, a group of PSL deputies will put forward the candidacy of Jozef Zych.

Time for Personnel Matters

According to unofficial information, before the meeting of the parties' leaders on Friday, coalition members spoke about the distribution of portfolios in the future Council of Ministers. The following candidacies are said to have been discussed: Professor Grzegorz Kolodko for the post of finance minister and deputy prime minister for economy (others say that Ryszard Bugaj will be deputy prime minister); Michal Strak—head of the Office of the Council of Ministers (SLD says that the left will also fight for this position); Wieslawa Ziolkowska—Central Planning Administration; Leszek Miller—Ministry of Labor and Social Policy; Kazimierz Dejmek—Ministry of Culture; Tadeusz Pilch—Ministry of Education; Wieslaw Kaczmarek—Ministry of Foreign Economic Cooperation; and Marek Borowski—future Ministry of Economy. Wlodzimerz Cimoszewicz would become deputy prime minister for political and social issues; Wladyslaw Jasinski (PSL)—minister of environmental protection; Jacek Zochowski (SLD)—minister of health protection. Three "strategic" ministries would be headed by: Andrzej Olechowski—Ministry of Foreign Affairs; Andrzej Milczanowski—Ministry of Internal Affairs; and Jerzy Milewski—Ministry of National Defense. According to unofficial information, Jozef Zych, Aleksander Malachowski, and Olga Krzyzanowska would be deputy Sejm speakers.

SLD's Kwasniewski on Talks, Coalition

WS1110150093 Warsaw RZECZPOSPOLITA in Polish 11 Oct 93 pp 1, 2

[Interview with SLD Chairman Aleksander Kwasniewski by Ewa Kaszuba; place and date not given: "Closer Than Farther"]

[Text] [Kaszuba] The economic and political talks on the coalition have been going on for three weeks now. Why then, when we hear statements made by participants in those talks, do we get the impression that each time the talks start anew?

[Kwasniewski] This is a wrong impression. Such talks require time; the Sejm will start working only on 14 October and only then will the constitutional calendar begin. Therefore, there are no reasons to get angry. Great progress has been made during all that time. Apart from some details concerning privatization, experts presented their joint position on economic and social issues. We are very close to adopting a coalition agreement, which will confirm experts' agreements and will lead to an agreement on personnel matters. Everything seems to indicate that by 14 October we will have agreed on the main elements of a coalition agreement.

[Kaszuba] Does that mean that only after the first sitting of the Sejm and after the election of the speaker will it be clear whether or not the Polish Peasant Party [PSL] will join the coalition?

[Kwasniewski] The coalition is already taking shape; now we are closer than we are farther away. However, this really calls for internal decisions within PSL.

[Kaszuba] What will these three weeks of talks change since everything will be clear only after 14 October anyway?

[Kwasniewski] They have changed a lot. It is different when two candidates want to hold the same post and when two parties put forward only one candidate; that is, only one candidate will have the approval of the parties whereas another one may try to get the post on his own.

[Kaszuba] What is very probable...

[Kwasniewski] ... However, in my opinion, this is not good for this coalition. This coalition must also persuade itself that it is credible. Therefore, 14 October is very important.

[Kaszuba] If the other candidate is supported by a majority, what will happen to the joint coalition agreements?

[Kwasniewski] They will be broken; that is, it will be as if they had not been reached at all. This would mean a serious crack in the coalition configuration; it would be the first crisis. If such cases of disrespecting the agreements were to occur, it would be better if they took place at the beginning and not later on. However, this scenario is entirely out of the question.

[Kaszuba] Who, then, is creating the atmosphere of nervousness if not the coalition partners themselves? Or is it the president, who demands three names?

[Kwasniewski] It is the media that play the main role...

[Kaszuba] Journalists again.

[Kwasniewski] I am not complaining about journalists; I understand that in this vacuum, when there is no parliament, journalists are discussing things and making speculations. However, what I mean is that no one has said clearly: The constitutional calendar begins on 14 October. Even if we had reached a full agreement on the coalition already, the coalition would not be able to start working now.

[Kaszuba] So far, however, you have not been able to decide how two posts should be distributed; namely, those of prime minister and Sejm speaker.

[Kwasniewski] This has already been agreed. What we need is only to dot the i.

[Kaszuba] That means that Waldemar Pawlak will be the prime minister, and a representative of the Democratic Left Alliance [SLD] will be the Sejm speaker. At first the

candidate was Wlodzimierz Cimoszewicz; recently you have been talking about Jozef Oleksy. If PSL and SLD reached agreement only after another candidate was submitted, the entire conflict, against all denials, was over names. At first SLD spoke about filling all the posts; then it gave up the post of Senate speaker and the prime minister. Why does it insist so much on the Sejm speaker?

[Kwasniewski] So that at least in this way it can implement something to reflect the election results.

[Kaszuba] Is it only a matter of prestige?

[Kwasniewski] It also means influence on the work of the parliament and on its style. Two years ago, when the Democratic Union [UD] won the elections, we stated that the largest party should appoint the speaker. We say the same today and will say it in four years' time as well. We must create new customs and new traditions; we do not need to refer to the dubious rule, according to which the speaker should be a representative of PSL or the United Peasant Party. This does not change the fact that in new, pluralistic circumstances, a new rule must be found. We believe that the rule that we have proposed will not raise any doubts—it will be decided by voters.

[Kaszuba] The speaker of the Sejm is a person that influences the Sejm's cooperation with the president. Is this why the SLD changed its candidate?

[Kwasniewski] There is no official candidate yet. While deciding which candidate should run for this post, we will not forget that the cooperation of the parliament with the president should be as efficient as possible.

[Kaszuba] What else will influence your decision?

[Kwasniewski] Competence. Both candidates are perfect candidates; they are well-educated and have parliamentary experience, and both have been parliamentarians since 1989, with contacts around the world. Cimoszewicz was a member of the Council of Europe, Oleksy—a member of the Parliamentary Assembly of the CSCE. The choice will have to be adjusted to the general political concept. Today, I still cannot tell you which one of them will run for the position. This must be decided by both candidates and the club.

[Kaszuba] On the day when the forming of the coalition was only a step away, Ryszard Bugaj stressed that the issue of filling the position of speaker should not be one of the coalition's agreements.

[Kwasniewski] This is the stand of Mr. Bugaj and the Union of Labor [UP]. Let us remember, however, that an agreement with PSL means that there will be a majority that is big enough to carry out the coalition agreement. I do not think that all of a sudden the issue of the Sejm could be regarded separately. It is a matter of seeing the situation in Poland from a broader perspective. I understand that UP does not want to take part in such activities in the Sejm; I think, however, that this is not correct.

[Kaszuba] The president wants three candidates for prime minister. How can this influence the coalition?

[Kwasniewski] If we sign a coalition agreement and have one candidate for prime minister, it will not be serious to submit three candidates. There has already been an idea to submit Pawlak, Waldemar Pawlak, and Chairman Pawlak. I am sure that the president is watching our talks closely. He certainly knows what stage they have reached. If it turns out that the candidate emerging from the talks is supported by a parliamentary majority, then for our own sake and for the sake of the president, we should acknowledge it. The government is formed after the elections and to my chagrin, the person that we keep forgetting is the voter. Thanks to him, SLD and PSL have a majority in parliament. I respect the president's prerogatives, in the first stage he has the right to say whom he supports; however, let us look at reality. In reality, there is a coalition of PSL, UP, and SLD, and again, there is one possibility—the appointment of Pawlak to the post of prime minister.

[Kaszuba] Does this mean that the coalition would support the option, according to which Lech Walesa would not designate the first candidate and leave the decision to the Sejm?

[Kwasniewski] This option is very likely. The course of the coalition talks indicates that the president could go over to the second stage immediately. Regardless of this, I will remain a supporter of respecting the president's prerogatives and consulting with him about the candidacies for the ministers of national defense, foreign, and internal affairs, because I believe that the president has the right to abandon his prerogatives in favor of the parliament and we have the duty to observe its rights, which are defined in the Little Constitution.

[Kaszuba] Does consulting mean submitting the coalition's own candidate or accepting the president's proposal?

[Kwasniewski] We will have to discuss personnel solutions; we cannot treat this as a game. However, this will be the task of the prime minister, who must resolve this problem.

[Kaszuba] Why, despite winning the elections, has SLD become a hostage of PSL? It is SLD that demands forming a coalition, presses and blames the peasants in case the talks turned out to be a failure, invents the ploy with the coalition agreement. It presses PSL against the wall just to force the party to make an unequivocal decision.

[Kwasniewski] It cannot be so that before the elections everyone says how they can make Poland happy and after the elections, they wash their hands of it. The election results are obligating. We were first in the elections and therefore, we should show initiative; we should try to form a stable government and we need partners to do that. We turned to various partners and in the talks it turned out that we could go farthest with PSL,

and that an agreement with UP was also possible. To my chagrin, so far there has not been any possibility of reaching an agreement with UD. This is not pressing anyone to the wall; it is simply a serious talk. If the elections were supposed to be merely an opinion poll, then this could certainly have been made at a lower cost.

[Kaszuba] I have heard it said that even if the coalition is formed, the government that it establishes will only hold out until summer, or autumn at best. Then the most likely political configuration will be a coalition of SLD and UD.

[Kwasniewski] It is definitely too early to say something like that.

Walesa: Poland Will Maintain Line of Reforms

LD1110221493 Warsaw PAP in English 2101 GMT 11 Oct 93

[Text] Warsaw, Oct. 11—"The situation in Poland is slightly different today but we will maintain the to-date line of reforms. There will be no change of the concept," President Lech Walesa told on Monday Managing Director of the World Bank Ernest Stern.

"Although Polish transformations are very difficult and many people did not believe in success, today we have convinced the world that we are following the right direction. It was easier however to change the political system into the democratic one than to change the economic system. That is why we need cooperation with the West," the president said.

Stern admitted that the Polish programme of reforms was well-prepared and the effects have been already palpable. But he said that Europe has not realized the cost of the transformations that, according to him, are threatened mostly by inflation.

President Walesa stressed that despite the present changes on Poland's political map there is no departure from reforms. "Farming, trade and industry are mostly in private hands," Walesa said.

"During the last elections society voted against the reforms, against the methods and against the lack of solidarity on the part of the West who had promised assistance and cooperation but today imposes bans on Polish products," Walesa told the World Bank managing director.

Finance Minister Cancels Fuel Price Hike

LD1110102293 Warsaw Third Program Radio Network in Polish 0900 GMT 11 Oct 93

[Text] Finance Minister Jerzy Osiatynski has recalled that the government's budget law envisaged fuel price increases. He has now announced that these increases will not take place.

The new coalition will decide whether or not to introduce these increases, the Minister said in a radio interview. Osiatynski explained that no price increase for gas and diesel was necessary in July. The August devaluation of the zloty changed the situation and the government was ready to introduce an increase. We wanted to agree on the amount of the increase with the Chamber of Liquid Fuels and our remaining main partners in the market, he explained. Since the elections the situation has totally changed, and I have stopped this increase, the minister concluded.

Daily Reports Positive Economic Indicators

WS0810155193 Warsaw RZECZPOSPOLITA in Polish 5 Oct 93 pp 1, 5

[Report by Maria Drozdowicz: "Economic Situation in September 1993; Recovery Continues"]

[Text] Despite the drop in the activity of the economy, registered in the summer, it seems that the economic recovery that began early in 1992 is continuing. The indicator of the economic situation increased from September 1992 to September 1993 by 11 points (from minus 16 to minus 5).

Considerable investment activity was noted. For example, in May 1992 only 14 percent of companies increased their expenditure on machines and equipment; in September of this year there were 30 percent of such companies. Similar trends, even though a little weaker, were noted in the expenditure on buildings.

The increase in the interest in investments may consolidate the positive trends in the economy if the inflation, whose level is still too high, and the danger of its increase, do not change the tendency.

In September a considerable increase in the production indicator was noted. Very optimistic are also predictions concerning the production volume in the next three or four months. We should bear in mind, however, that autumn is usually characterized by greater economic activity. Export production also increased substantially.

For the first time since 1991 the indicator of export production has a positive value, which means that the percentage of companies characterized by an increase in export production is greater than the percentage of companies seeing a drop in this type of production. Companies predict that this trend will be maintained over the next three or four months.

Orders

For two months now we have been witnessing an increase in the indicator of domestic orders. In September it was particularly clear (it increased from minus 22 percent in August to 8 percent in September). Equally favorable are predictions concerning the inflow of new domestic orders for the next three or four months. The inflow of export orders, after a considerable growth in

August, remained at the same level. The predictions concerning new export orders have been steadily improving since June.

Prices, Reserves

In September the rate of growth of prices was higher than in August. Companies predict that this higher growth rate will be maintained for the next three or four months.

Since May 1993 we have been witnessing a drop in the reserves of ready-made goods. It was particularly clear in September. Companies predict that this trend will be maintained for the next three or four months.

Employment and Wages

September was the third month in a row in which the growth rate of unemployment decreased. Companies predict that this tendency will be maintained for the next three or four years.

The average wage index remains at the same level as it has been for the last two months. However, companies are planning to increase the growth rate of wages in the next three or four months. Wages are going to increase in 65 percent of the tested companies in the next three or four months.

Structure and Costs of Production

There are no major changes in the structure of production as divided into consumption, supply, and investment production. However, we should draw attention to the growth in investment-type production. In March 1992 it constituted 10 percent of the entire production; in September 1993 the share is 18 percent. This proves that the expenditure on investments, especially on machines and equipment, is greater. Companies predict that this trend, that is, the gradual increase in the share of investment-type production, will be maintained in the future.

In September the growth of the production costs of individual products was noted. It is disconcerting that for the last two years there has not been a tendency to lower these costs. This shows a lack of efficient mechanisms that would force structural changes, particularly increasing the efficiency at the microeconomic level (in companies). As a result of this, we may continue to have high production costs, high inflation, and poor competitiveness of Polish products on foreign markets.

Western 'Protectionism' Blamed for Election Defeat

LD0910134193 Warsaw Third Program Radio Network in Polish 0800 GMT 9 Oct 93

[Text] Polish Prime Minister Hanna Suchocka has said Western trade protectionism is one cause of the government's election defeat in Poland. The prime minister expressed this opinion in Vienna during the Council of Europe summit. Czech President Vaclav Havel shares this opinion. He said Europe may not exploit opportunities because of Western egoism and protectionism. European Commission Deputy Chairman Hans van den Broeck, when asked to comment, said he understood this message, but unfortunately the change to democracy and a market economy happened during a time of recession in the West.

Iliescu, U.S. Delegation Discuss Security

AU1110211793 Bucharest Radio Romania Network in Romanian 1800 GMT 11 Oct 93

[Text] Romania's President, Mr. Ion Iliescu, received the U.S. delegation led by Mr. Frank Wisner, under secretary of state for policy with the U.S. Defense Department, at Cotroceni Palace this afternoon. The meeting was attended by Lieutenant General Niculae Spiroiu, minister of national defense; Colonel General Vasile Ionel, presidential counselor; and U.S. Ambassador John R. Davis, Jr.

At the end of the meeting, Mr. Frank Wisner told the press that the first meeting was held by the Romanian-American bilateral working group on national security issues. In the opinion of the U.S., the setting up of such groups is a way to achieve a strong European security system that will not exclude any state in this area. He specified that he had assured President Ion Iliescu that strengthening cooperation with Romania in the area of national security would be included in the policy promoted by the U.S. Administration.

In connection with President Boris Yeltsin's statement regarding the opportuneness of admitting East European countries to NATO, Mr. Frank Wisner said that the (?position) of the United States in this respect will be clarified and the relevant governments will be informed. We want to remind you that a very important NATO meeting will be held at the beginning of next year.

U.S. Official Comments

AU1110211993 Bucharest Radio Romania Network in Romanian 1800 GMT 11 Oct 93

[Text] At the end of his visit to our country, Mr. Frank Wisner, undersecretary of state for policy with the U.S. Defense Department and leader of the U.S. delegation, held a news conference at Otopeni Airport. The news conference was attended by Mr. Mircea Pascu, state secretary at the Ministry of National Defense, and, for the American side, by Ambassador John R. Davis, Jr.; the deputy military attache, Assistant Colonel John (?Markovits), and other embassy members.

Mr. Frank Wisner emphasized that it had given him special pleasure to visit, quote: Your beautiful country, unquote. After this visit, he also said, we will witness the intensification of cooperation in the area of defense.

The events in Moscow and Yugoslavia are not the reason for the visit paid to Romania, the guest emphasized, pointing out that he had come to our country to contribute to strengthening cooperation in the military and defense areas.

The U.S. official also emphasized that one cannot ignore Romania's importance for security in the Balkans.

Spiroiu on Defense, Army Restructuring Issues

AU0810201993 Bucharest ADEVARUL in Romanian 6 Oct 93 p 5

[Article by Defense Minister Lieutenant General Niculae Spiroiu: "The Law on National Defense in the Context of International Developments"]

[Text] In the context of a restless political context at the European level and at a time when the transition to the market economy is generating enough instability in Central and Eastern European states, parliamentary procedures regarding the draft law on Romania's national defense have begun. They have begun as a typical reaction of a state governed by law to the warnings and exigencies of life. This is all the more valid since the conflicts in Yugoslavia and the changes that have taken place in the territory of the former USSR, as well as the new risks of insecurity—accentuated by the trend toward re-discussing the territorial status quo—are not effectively counterbalanced through a valid and credible system of pan-European security and cooperation; for the time being, orientations and initiatives are only sketched out and there are only statements of intent. They may constitute a positive beginning, but it is just a beginning.

As far as Romania is concerned, if its geostrategic location continues to be a constant asset, one cannot say the same thing about the stage of organizing our national defense system, whose development has to reflect changes both in society and in the geopolitical area to which we belong. Going through a general reform process, our country is currently in the stage of restructuring its basic institutions, its economy, and its concepts on the future of the nation, thus facing many difficulties and enough suffering, coupled by uncertainty and a feeling of insecurity in a political area full of unrest and tension.

Romania's Army, aware of the responsibility resting on it, immediately after the December 1989 revolution launched a restructuring and, partly, a modernization process so as to achieve precise goals: Guaranteeing the defense of and facilitating the free development of the Romanian state, and, second, achieving an optimal level of compatibility with the Euro-Atlantic security structures with which our people have a fundamental affinity.

The endorsement of the Law on National Defense by the Senate is an act of responsibility for outlining the construction of a modern army able to guarantee national sovereignty, the state's independence and unity, the country's territorial integrity, and constitutional democracy in which the Army is also viewed as a guarantor for domestic stability based on its equidistant and neutral position toward any political or ideological orientations.

This law is to establish the principles on which the national defense system, the way it will be led, its resources, and relations of cooperation will be structured. The text of this law proves not only a total break with any dogmatic and outdated aspect through the

resurrection of the Romanian people, but also a valuable leap forward generated by Romania's new military doctrine.

This fall will mark the beginning of a rapid restructuring process in our Army. The National Defense Law is to outline clearly the shape of a powerful and effective army within the framework of a system led in a uniform way. The judicial instrument will also establish how to utilize the human, financial, and material potential, as well as other such potentials, which the Romanian state utilizes to uphold the efforts for the country's defense, so that it may develop freely within its geographical, cultural, and historical framework through examining the country's defense requirements, through ensuring the training of active and reserve troops, and through organizing and equipping the military bodies for discouraging or repelling any possible aggression or any other such move against the right of the Romanians to live in freedom in accordance with their own system of values.

New Incentives for Food Producers Established

AU0810182393 Bucharest ROMPRES in English 1111 GMT 8 Oct 93

[Text] Bucharest ROMPRES, 8/10/1993—The government of Romania has approved production incentives for the producers of a number of agricultural foods. The bonuses being paid from state subsidies shall not alter the retail prices of the produce.

The two relevant ministries, of food and agriculture, and finance, have accordingly settled the procurement-cost-included bonuses agricultural producers are to be granted:

Pork: (live weight) procurement costs grow in indirect ratio with the animal's weight, the bonus being identical: 1,300 lei/kilogram (450 lei bonus) for specimens weighing 101-110 kilograms and 1200 lei/kilogram (450 lei bonus) for specimens weighing 110-120 kilograms.

Chicken: (live)—1200 lei/kilogram (500 lei bonus).

Cow milk: 3.5 percent fat contents—150 lei/liter (50 lei bonus).

As the new procurement standards are sustained by state subsidies, they should not affect consumer prices.

Foreign Media Bulletin: Balkan Crisis 12 October
WA1210171793

The following is an overview of current FBIS reporting on events in the Balkans. It supplements other FBIS reporting and consists primarily of selected summaries of longer reports. For reference purposes, serial numbers of the longer reports are provided.

SUMMARY

Bosnian President Izetbegovic rejects meeting with western Bosnian leader Abdic ... Krajina Serbs hold assembly meeting to decide on elections, UN resolution, mobilization ... Serbian Radical Party leader Seselj solicits support of other Serbian opposition leaders ... Croat-Muslim fighting reported in central Bosnia.

POLITICAL

IZETBEGOVIC REJECTS MEETING WITH ABDIC (Belgrade TV): Bosnian President Izetbegovic rejects appeal by western Bosnian president Abdic for the two Muslim leaders to meet to end fighting between Bosnian Army troops and Abdic loyalists. (AU1110211093)

KRAJINA SERBS HOLD ASSEMBLY SESSION (TANJUG): During 10 October assembly session, Krajina Serbs decide to hold new elections on 21 November, demand that all Serbian males who have left Croatia for the FRY return to fight or risk losing their citizenship or property. Assembly rejects UN resolution extending the UNPROFOR mandate in Croatia because it "did not mention the RSK as a separate state," but suggests it is not opposed in principle to extending the mandate. (LD1110002193, AU1010203093)

SESELJ CALLS FOR OPPOSITION MEETING (TANJUG): Serbian Radical Party leader calls for "secret meeting" with Serbian Renewal Party leader Draskovic and Democratic Party of Serbia leader Kostunica to solicit support for his efforts to bring down the Serbian Government. Draskovic demands Seselj apologize for "insults" directed at his party, says he would only accept new government if his party is given position of prime minister and half of all ministerial positions. (LD1010215093)

MILITARY

CROAT-MUSLIM FIGHTING REPORTED: Zagreb Radio reports that Muslim forces fired "200 shells" on Croatian enclave in Vitez, killing three civilians, but Sarajevo Radio says Croatian forces instigated Vitez clashes, violated local cease-fire agreement in Gornji Vakuf. (LD1110170593, AU1110165693)

Izetbegovic Willing To Resume Negotiations

AU1110161693 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 11 Oct 93

[Text] The negotiating process in Geneva has been broken off (?again). The Bosnia-Herzegovina side is the only side willing to negotiate; the Serbian and Croatian sides do not seem interested. These are the words of Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, who talked to a group of international parliamentarians headed by U.S. Congressman Frank McCloskey. This delegation is visiting Sarajevo today. At the beginning of their visit, the parliamentarians also discussed the situation in Bosnia-Herzegovina with representatives of the Assembly and the republic government. Senada Cumurovic has the details.

The situation in Bosnia-Herzegovina and the agreement with Tudjman regarding the military situation on the ground and the negotiations were discussed within the framework of this issue. These issues most interested the international parliamentarians, and they discussed them with Alija Izetbegovic and Ejup Ganic. Commenting on the Croatian leadership's stance toward Bosnia-Herzegovina, Izetbegovic said that double standards were at work here, reflected in the fact that Zagreb accepts everything, but they do not implement it on the ground. That is why we were thinking of calling for sanctions to be imposed on Croatia. We acquainted President Tudjman with this three days ago. What is happening with the negotiating process in Bosnia-Herzegovina, inquired Mr. Mccloskey, head of the parliamentarians' group.

[Begin Izetbegovic recording] At the moment, the negotiating process is at a complete standstill. I believe that we are the only ones willing to negotiate right now. Neither the Serbian nor the Croatian sides are showing any interest in continuing talks. [end recording]

Listing the main complaints about the Geneva agreement, Izetbegovic explained that the principle of partitioning Bosnia into three republics had actually been imposed, and that the only way to prevent this was to continue the long and exhausting war. This is not a disintegration of Bosnia-Herzegovina as a state; we have not agreed to that. However, the Serbian and Croatian sides are demanding that their republics—created by force—be recognized, summed up Izetbegovic.

[Begin Izetbegovic recording] In such a situation, we can only discuss the just distribution of territory, which means that the future Bosnian republic must be comprised of Bosnian territories within Bosnia-Herzegovina. This, in turn, means that the republic of Srpska cannot be comprised of non-Serbian territories. [end recording]

After talking to Alija Izetbegovic, the international parliamentarians met with representatives of the Bosnia-Herzegovina parliament. They began by discussing the parliament's decision regarding the Geneva agreement. Miro Lazovic clarified that the main point of this decision was based on the principles of the London conference, and that the decision actually constituted a warning to the international community to honor the resolutions it had passed. We are convinced that there can be no peace in these areas before a just political solution is reached, which would guarantee the survival of an integrated Bosnia-Herzegovina and the return of refugees. If republics are formed, concessions must be made to the Bosnian republic regarding territorial demands, said Miro Lazovic, and added that it was to be expected that the London Conference would be [word indistinct] again, or some other gathering that would have to look at the Bosnia-Herzegovina problem as part of a general solution for the former Yugoslavia.

Izetbegovic Views Future of War Criminals

LD0910201993 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 9 Oct 93

[Text] The United Nations and the entire world have been informed about the Bosnia-Herzegovina parliament's decision regarding the Geneva proposal set forth by Owen and Stoltenberg. We have clearly listed our minimal conditions. To legalize violence as a political means amounts to suicide both in a political and moral sense. Our parliament's decision is therefore in favor of a peace process rather than violence and genocide, President of the Bosnia-Herzegovina Presidency Alija Izetbegovic has told the Bosnia-Herzegovina press following his return to Sarajevo.

He says that the developments in Bosnia-Herzegovina have diverted public attention from the continued violence being committed in the Republic of Serbia against its non-Serbian populations, particularly the Muslims of Sandzak. Our delegation pointed out this fact too and again raised the Sandzak issue.

As far as my talks with President Tudjman in Vienna yesterday are concerned, we reiterated our commitment to further negotiations providing that those who have committed war crimes in Herzegovina and central Bosnia are eliminated from political life without delay. There can be no peace and cooperation as long as those people who have carried out ethnic cleansing in Mostar, Stolac, Capljina, and elsewhere lead, or pretend to lead, the Croatian people. Not only must they be eliminated from political life but they must also be charged with war crimes. We will continue to insist on this, Alija Izetbegovic said in his statement to the Bosnia-Herzegovina press.

Ganic Favors New Peace Conference

AU1110130393 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1100 GMT 11 Oct 93

[Text] In the diplomatic circles—especially now after the shipwreck of the Owen-Stoltenberg double scull, a double scull without a coxswain—there are more and more (?calls) for a regional Balkan conference on peace

or a new London conference for Bosnia and the region. This was stated by Ejup Ganic, member of the Bosnia-Herzegovina Presidency, for B-H Press.

This Balkan conference, Ganic continued, should consider the problem of the region as a whole: the question of neither peace nor war in Kosovo and Sandzak, the situation in Croatia and Vojvodina, relations between Macedonia and Greece, and the stands of Albania and Bulgaria. In a relatively small peninsula such as the Balkans, there are too many megalomaniac and nationalist programs and ideas.

It is necessary to (?secure) permanent military guarantees by the international community for peace in this region or perhaps the permanent presence of NATO forces in some parts of the Balkans.

Stopping the aggression in Bosnia-Herzegovina and solving the humanitarian crisis are urgent tasks. The signed bilateral agreements on a cease-fire and the transit of humanitarian convoys enjoy the international community's full support. However, the partial settlement of the question of a lasting peace in Bosnia-Herzegovina—which is taken out of context of Bosnia-Herzegovina's Balkan neighborhood and unhealthy ambitions of its neighbors, as well as unresolved relations among them—would, according to many diplomats, probably only mean a cease-fire. Until the Balkans is settled as a whole, we are sitting on a powder keg, and so is Europe for that matter. Therefore, there is a real danger of new wars.

All these future, as it appears, unavoidable clashes in Croatia and Kosovo cannot bypass Bosnia-Herzegovina, even if a peace agreement for Bosnia-Herzegovina was signed. It appears, therefore, that after all the crude attempts by world diplomats, we are returning to the beginning. This was stated by Ejup Ganic, member of the Bosnia-Herzegovina Presidency, for B-H Press.

Abdic Demands 'Urgent Meeting' With Izetbegovic

AU1010164993 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 10 Oct 93

[Report by Dragan Bera]

[Text] Fikret Abdic, with around 10,000 armed supporters, continues to maintain control over Velika Kladusa. Today he wrote to Alija Izetbegovic. The situation in the autonomous region of western Bosnia is very grave and complex, writes Abdic in his letter, and adds that the committee which Izetbegovic has sent to the Cazin Krajina is incapable of resolving the situation. He criticizes the envoys from Sarajevo—a part of which are still in Bihac—and says that their presence is only aggravating the circumstances in the region, and that the consequences could be very grave. Therefore, he calls for an urgent meeting with Izetbegovic, and proposes that one of the UN Protection Forces [UNPROFOR] bases in the autonomous region of western Bosnia be used as the site. In other words, Abdic is asking Izetbegovic to come to him.

In his letter to Izetbegovic, Abdic stresses that he will call for urgent talks with Franjo Tudjman, Mate Boban, Slobodan Milosevic, and Radovan Karadzic. Consider everything that I have mentioned extremely serious and urgent, writes Fikret Abdic in his letter to Izetbegovic. In expectation of Alija's answer, they are closing ranks in Velika Kladusa, because the headquarters of Izetbegovic's supporters in Bihac continue to make accusations and threats on account of Abdic and his sympathizers. They are particularly angry that in Velika Kladusa they have taken down and thrown away all the insignia of Alija's Bosnia-Herzegovina, a state that Abdic continues to maintain does not exist.

Abdic Calls For Mobilization, Fears 'All-Out War'

AU1110211093 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 11 Oct 93

[Report by Dragan Bera]

[Text] Following Alija Izetbegovic rejection of a proposal to meet with Fikret Abdic, the situation in the Cazin Krajina is becoming more and more tense. It could at any moment escalate into an all-out war between Izetbegovic and Abdic supporters. The shooting continued today. There are dead and wounded. People have been arrested and some are missing, but both sides are going out of their way to keep this a secret from the public. Today in the village of Cukovici, Abdic's supporters put up another barricade in the direction of Bihac and Cazin. Moreover, the Kladusa Father [Babo] has proclaimed a general mobilization.

The command of the forces loyal to Izetbegovic has done the same. Alija's jihad fighters [dzihadlija] are increasingly afflicted with hunger, since Abdic has blocked all the roads and thus made it impossible for them to bring in supplies. They are deciding how much each village under their control has to give in terms of food, regardless of the fact that the population is also starving. Anticipating an attack by Alija's supporters, they are appealing from Velika Kladusa to Muslims in other regions, calling on them to defy Izetbegovic. They are enjoying some success in this endeavor.

After Tuzla, the Muslims from central Bosnia raised their voice yesterday: The Muslim radio in Travnik has informed that military commanders, representatives of the Islam religious community, and the presidents of all Muslim communes in the Travnik-Zenica County have held a meeting and spoken out against Alija Izetbegovic's policy. It was decided at the meeting that the disastrous policy of the Sarajevo fundamentalists has taken thousands of young lives, which is why the Muslim people in central Bosnia and the Lasva River valley are shrouded in black. The statement issued today states further that

not a single decision made by Izetbegovic and his Presidency is binding for the Muslim people in Travnik-Zenica region.

The same applies to decisions made by Rasim Delic and his private—and for the Muslim people criminal—headquarters. Preparations are well underway in this area for the establishment of supreme, military, and civilian bodies of authority.

Abdic Advocates Free Trade Zone in Rijeka

AU1010145793 Hamburg ARD Television Network in German 2055 GMT 9 Oct 93

[Statement by Fikret Abdic, "president of the autonomous republic of western Bosnia" in Bihac; date not given—recorded; in Serbo-Croatian with superimposed German translation]

[Text] No other region has such specific conditions as we have, for example, the high population density and a high birth rate. These are also reasons for the establishment of a future bonded area and a free zone for us in the Croatian port of Rijeka. Of course, we have to get the consent of the international organizations. But this will be a topic for the future.

Pro-Autonomy Movement Growing in Tuzla

LD1110164493 Belgrade TANJUG Domestic Service in Serbo-Croatian 1315 GMT 11 Oct 93

[Excerpts] Banja Luka, 11 Oct (TANJUG)—An opposition newspaper called TUZLANSKI LIST has appeared in Tuzla recently. TUZLANSKI LIST is published by Tuzla intellectuals and members of the Movement for Yugoslavia headed by retired JNA [former Yugoslav Peoples Army] officer, Mustafa Kikic.

The newspapers represent one of the footholds of the increasingly argued autonomy for Tuzla. According to latest reports, Mustafa Kikic has been imprisoned in the Srnica detention camp near Gradacac because of his association with TUZLANSKI LIST and his pro-autonomy stands.

First clashes have broken out between the hard-liners and supporters of the extremist policies of Alija Izetbegovic on one side, and the supporters of moderate policies headed by citizens of Tuzla. [passage omitted]

That something is happening in the Tuzla region can also be seen from the somewhat improved status of the Serbs [living in the Tuzla area], now even better than the status of the Croats. This is explained by current relations between the warring nations in former Bosnia-Herzegovina, and fierce clashes between Muslims and Croats on all of the remaining fronts. In addition to this, it is expected that an autonomous Tuzla would rely on the republic of Srpska and Yugoslavia, so that a negative status of the Serbs [in the Tuzla region] could have harmful effects later.

The commander of the HVO's [Croatian Defense Council] 107th Brigade, Ivan Mijacevic, is also of the opinion that the autonomy of Tuzla is the only solution for the population of this region. When he recently spoke on Radio Gradacac, Mijacevic said that the war must be stopped and that Gradacac should be proclaimed a heroic town because more than 2,000 people have been killed and 5,000 wounded. According to Mijacevic, autonomy would be a way out of the negative situation.

Boban Claims Mostar as Capital for Croats

LD0810173793 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 8 Oct 93

[Text] Following the WEU's [West European Union's] plan eventually to send in police to support the establishment of the EC's protectorate over Mostar, Mate Boban, president of the Croatian republic of Herceg-Bosna, presented Croatian views on this in a letter to WEU Secretary General Eekelen, to all EC foreign ministers, and to the cochairmen of the peace conference. In his letter, Boban stresses that according to every indicator, almost 10 percent of all urban Herceg-Bosnian Croats and nearly 5 percent of all Croats from Bosnia-Herzegovina live in Mostar which is the only capital of all Croats from Bosnia-Herzegovina. Who Mostar belongs to was demonstrated by the results of the first democratic elections.

The letter demands, prior to any decision, respect for the basic principle of equal rights for Croats, Muslims, and Serbs in Bosnia-Herzegovina.

Croats, Muslims Sign Cease-Fire Near Gornji Vakuf

LD1110153693 Belgrade TANJUG in English 1419 GMT 11 Oct 93

[Text] Belgrade, Oct 11 (TANJUG)—The commanders of Bosnian Moslem and Croat (HVO) troops from the region of Gornji Vakuf have signed a temporary ceasefire to enable both sides to gather the bodies of their soldiers killed in the fighting close to this central Bosnian town, Moslem Sarajevo Radio has said.

The ceasefire came into force on Monday at 9:00 a.m. local time and will last until Tuesday 6:00 p.m., said the radio citing U.N. Protection Force (UNPROFOR) sources.

A UNPROFOR spokesman in Sarajevo said that over the past 24 hours U.N. observers had registered Moslem-Croat clashes in the region of Gornji Vakuf in which martars and infantry weapons were used, Sarajevo Radio said.

The same source said that fire was opened on a patrol of the British peacekeepers, who were forced to respond.

The Bosnian Croat command said on Monday that its troops had managed to defend their positions from a strong Moslem attack on Sunday evening in the region of

Novi Travnik and Vitez, and in the area of Vrde, north of Mostar, the Croatian Radio reported on Monday morning.

Croat-Muslim Fighting Reported in Novi Travnik

LD1110202193 Zagreb Radio Croatia Network in Serbo-Croatian 1800 GMT 11 Oct 93

[Report by correspondent Zdenko Vranjes for Croatian Radio]

[Excerpt] One of the strongest Muslim offensives on Croat-populated regions in central Bosnia is still under way.

Muslim artillery units fired more than 200 shells on Vitez last night and this morning. Three civilians have lost their lives and many have been wounded. A number of people were wounded in this afternoon's shelling as well.

The Croatian Defense Council [HVO] command for central Bosnia has announced that all HVO-held positions have been defended in the village of Lazine and a [Muslim] infantry assault repelled.

The situation is extremely dramatic in Novi Travnik where, the command of the HVO for central Bosnia has assessed, the strongest Muslim artillery and infantry attack so far is in progress. Several dozen shells have landed in the center of this town. Four civilians have been seriously wounded.

Heavy fighting is also taking place this evening in the village of Zubici near Novi Travnik. The Muslim army managed to break through HVO defense positions in this village this morning, but HVO units are trying to regain these positions this evening. [passage omitted]

Civilians Killed in Attack on Croats in Vitez

LD1110170593 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 11 Oct 93

[Excerpt] Zdenko Vranjes reporting for Croatian Radio from Mostar. Three civilians were killed and many were wounded in an artillery attack this morning on Vitez launched by the Muslim army. More than 200 shells have been fired on the town and surrounding villages. Strong infantry attacks were launched on the nearby village of Lazine, but the HVO [Croatian Defense Council] positions have been defended. Sporadic attacks on Vitez and the villages around Novi Travnik have continued.

A general alert signal has been in power in Kiseljak since 1200. The Muslim army shelled the villages of Brnjaci and Lepenica and this afternoon launched infantry attacks on several more villages around Kiseljak. Several shells were fired on Kresevo town center today. [passage omitted]

HVO Attacks Reported in Vitez, Gornji Vakuf

AU1110165693 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 11 Oct 93

[Text] Now for a report from the Information Service of the 3d Corps of the Army of the Republic of Bosnia-Herzegovina:

[Begin unidentified correspondent recording] The aggressive combat operations by the extremists of the Croatian Defense Council [HVO] were again most intensive in the region of Vitez, and the Gornji Vakuf front; it has been mostly calm on all other fronts in the region covered by the 3d Corps.

Yesterday morning, HVO units launched attacks on almost all sectors of the [word indistinct] front. Their attacks were most persistent in the region of Grbavica, Zabrzje, (Ljubisje), Bukve, and (Trgovasje). Forces of the Army of Bosnia-Herzegovina were forced to respond fiercely, so (?in active defense) they managed to repel all attacks, break through the defense lines in the southern section of the battlefield and significantly suppress [word indistinct] toward (Lipiz). In these engagements, the extremists lost approximately 60 fighters; many were wounded and thereby rendered ineffective.

Same as yesterday, the Gornji Vakuf front was shelled by HVO artillery. HVO units shelled shelled Bojkovac, Voljevac, (Stublis), and the village of Batusa particularly fiercely, with mortars and recoilless guns. They occasionally used self-propelled guns, 105 mm howitzer, and tanks. Moreover, provocations with infantry weapons and snipers are still intensive.

On the Zavidovici battlefield, Serbian-Montengrin aggressors carried an artillery and infantry attack on the region of (Zedni Vrh), but the attack was successfully repelled after fighting that lasted a few hours. The other sections of the free Zavidovici territory were occasionally exposed to artillery and infantry provocations, particularly from Smailbasici and Krcevina. Battlefields around Busovaca, Visoko, Ilijas, and Breza and other sections of the free territory covered by the 3d Corps were mostly calm, except for the usual provocations by enemy forces. [end recording]

Croatian Forces Continue Attacks on Mostar

AU1110162293 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 11 Oct 93

[Report from the Information Service of the 4th Army Corps in Mostar]

[Excerpt] The aggression by the joint Croatian forces, the Croatian Army and the Croatian Defense Council, has continued in the last 24 hours along the entire line of separation with the forces of the 4th Corps. Southern districts—Blagaj, Malo Polje, [name indistinct] Kosor, and [name indistinct]—were especially targeted by the aggressor Croatian artillery.

The Command of the 4th Corps stated that the defenders (?of the town) defended their positions in all sectors of the Mostar front. The positions are being defended and the morale of all fighters is high—they are determined to defend Mostar and their country, the Republic of Bosnia-Herzegovina, to the end.

The old Muslim district of Blagaj came under fierce attack by the Ustasha Croatian artillery yesterday and overnight. The first rocket attack on this southern town district with multiple rocket launchers came from the positions of the Croatian artillery at 2000. Twelve shells came from [name indistinct] near Citluk. Only 25 minutes later the rocket attack on Blagaj was renewed with eight more powerful projectiles. The attacks were repeated at 2312, with 12 rockets, and 0150, with six rockets, which landed on the residential areas in Blagaj and the surrounding area, causing substantial material damage. Fortunately, in this villainous attack on civilians only one woman was slightly wounded. [passage omitted]

Army: Croat Civilians Buried Massacred Victims

AU0810200993 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 8 Oct 93

[Excerpt] The information on the discovery of mass graves in Tasovcici and Balinovac near Mostar has stirred a lot of interest in the domestic and international public.

The Bosnia-Herzegovina Army Press Center has issued a statement saying that the Service of Military Security received this information from statements made by people who have fled from the territory under the control of the HVO [Croatian Defense Council], the Croatian Army, and the people who have reached the free territory from the camps through exchange.

The graves in Tasovcici, Balinovac, and (?Harem Miljkovici) were dug in May this year, and the witnesses to the crimes claim that the bodies of the murdered Bosniaks were collected and buried in mass graves by Croatian civilians. [passage omitted]

Buildup of Croatian Troops Reported on Border

LD1110163793 Belgrade TANJUG in English 1620 GMT 11 Oct 93

[Text] Banja Luka, October 11 (TANJUG)—Sources in the Army of the Bosnian Serb Republic on Monday [11 October] reported major concentration of Croatian troops along a section of the northern border of the former Yugoslav Republic of Bosnia-Herzegovina.

Three brigades of the Croatian Army have been sent to the wider region of Slavonski Brod in the Croatian territory while some of them have been deployed in the region of Orasje, a Croat-controlled town in the north-eastern part of Bosnia-Herzegovina. The units are led by special terrorist groups.

According to military sources, these activities are aimed at seizing Samac, a Serb town in north-eastern Bosnia.

Moslems held in a prison camp near Orasje are expected to be used in this attack.

Serb military sources said the joint command of the Croatian Army and the Bosnian Croat forces had set up a command post near Samac, which is considered to be the sign of an ensuing offensive on the town.

Between 40,000 and 60,000 regular Croatian Army troops have been engaged in Bosnia-Herzegovina ever since the beginning of the Bosnian civil war a year and a half ago.

At the beginning, they were deployed mostly in the northern parts of the republic but later, after the outbreak of conflicts between Bosnian Croats and Moslems last spring, they were also deployed in southern and central parts of Bosnia-Herzegovina.

Unannounced Aid Convoy for Muslim Town Stopped

LD1210110093 Belgrade TANJUG in English 1017 GMT 12 Oct 93

[Text] Belgrade, oct 12 (TANJUG)—The Bosnian Serbs have stopped a humanitarian convoy for Moslem-controlled Maglaj, town in central Bosnia, because it did not have the necessary permits from the Government of the Bosnian Serb Republic (RS) and its army command, Belgrade daily VECERNJE NOVOSTI says on Tuesday.

The paper recalls that the convoy was halted on Sunday evening in Banja Luka, biggest city in RS.

All relief aid packages were then stored in the warehouses of the U.N. High Commessariat for Refugees (UNHCR) in Banja Luka from where they will continue towards their final destination after obtaining the necessary permits, the daily says citing the local Bosnian Serb command.

By sending a previously unannounced humanitarian convoy, Banja Luka UNHCR chief Larry Hollingworth wants to show the world that the Serbs are preventing all aid from reaching the Moslems in central Bosnia, the command said.

The daily relief aid convoys to the Moslem populations of northern and eastern Bosnia via RS territory, after the necessary permits are obtained and the cargo controlled in the Serb-held town of Zvornik, only shows that the Serbs are not stopping humanitarian aid convoys, rather, they [are] securing their safe passage towards their destinations.

Commander Calls For More Help From Islamic World

LD1010220593 Riyadh Saudi Arabian Television Network in Arabic 1800 GMT 10 Oct 93

["Exclusive" interview with Rasim Delic, commander of the Bosnian Army, by unidentified Riyadh television correspondent in Sarajevo; date not given—recorded; Delic speaks in Serbo-Croatian with superimposed Arabic translation]

[Text] [Delic] I would like to point out that the two international negotiators did not respect the demands of the Bosnian delegation. The solution put forward now does not give the state of Bosnia an outlet to the sea. The Bosnian parliament cannot approve a peace plan which allows Muslim territories to remain under the aggressor's control. We are ready for a peace plan. However, it has to be a just one.

[Correspondent] Until just solutions have been found, can the Army of Bosnia-Herzegovina continue to fight, particularly as the winter season approaches?

[Delic] The Bosnian army has proved its ability to repel the conquerors who enjoy great arms and munition capabilities. Naturally, our position is not enviable as the Serbs and the Croats are in possession of all sorts of weapons denied to us by the international community. Let me reaffirm to you that we intend to continue the struggle to the end. We have no other option open to us.

[Correspondent] It has been reported that the capabilities of the Army of Bosnia-Herzegovina are increasing by the day and that there are many arms factories which the Army has begun to operate. Is that true?

[Delic] We strive every day to develop the capabilities of the Bosnian Army in terms of organization and combat. That is a necessary matter for a people defending its existence. Some arms and munition factories are back in operation. We have achieved tangible success at the level of confronting the Croatian Defense Council, thanks to the high morale of our soldiers and to their belief in the need to free our occupied territories. Notwithstanding, we are prepared to end war operations against the Croats and to coordinate with them in facing up to the common enemy, the Serbs. It has to be pointed out that the Bosnian Croats rely on assistance from the Croatian regular Army. That is the reason behind their intransigence and obstinacy.

[Correspondent] Despite Croatia's direct and increasing support for the Bosnian Croats, the Bosnian Army has managed to secure successive victories in the central regions. How do you explain that militarily?

[Delic] We did not start war against the Croatian Defense Council which had launched continuous attacks with the aim of capturing regions in central Bosnia. The Muslim army has defended those territories inhabited by a Muslim majority. Let me tell you this: While we do appreciate the food assistance we have received from the Islamic world, the Bosnian people need further assistance.

Croats Protest Report on Muslim Mass Graves

LD0810222393 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 8 Oct 93

[Report by correspondent Miljenko Karacic from Mostar]

[Excerpt] [passage omitted] The public relations department of the president of the Croat republic of Herceg-Bosna lodged an energetic protest today with the AFP editorial board following their unsubstantiated report on alleged Muslim mass graves in the [word indistinct] villages of Barlovac and Katovcici near Capljina.

Admittedly, you quoted the Muslim Bosnia-Herzegovina radio, but bearing in mind AFP's reputation and how sensitive the issue is, you are probably aware how much damage your extremely unprofessional behavior has inflicted on us. [passage omitted]

RSK Assembly Votes To Hold Elections on 21 Nov

LD1010205493 Belgrade TANJUG Domestic Service in Serbo-Croatian 2000 GMT 10 Oct 93

[Excerpts] Beli Manastir, 10 Oct (TANJUG)—The first multiparty elections in the republic of Serb Krajina (RSK) are to take place on 21 November.

This was decided this evening by a majority vote of the RSK Assembly, which has been going on in Beli Manastir for two days now. By that date the Election Law and Law on Constituencies will be passed. It has been already proposed that the future assembly instead of its present 270 deputies consists of 60 deputies, something which should contribute toward its more efficient functioning. [passage omitted]

At the end of the session on the political and security situation in the RSK, that took place behind closed doors, the request by RSK President Goran Hadzic to recall Interior Minister Milan Martic, and Borislav Djukic, the head of the Serb Krajina army, because of the well-known events in Maslenica, Zemunik, Divoselo, and Citluk [when the Croats temporarily retook the territory], was not formally accepted. The initiative is postponed until further notice, while the function of the interior minister was practically degraded. It was decided that in a wartime, such as today, the police be placed under the command of military authorities. [passage omitted]

RSK Parliament Rejects UN Resolution 871

LD1110002193 Belgrade TANJUG in English 2240 GMT 10 Oct 93

["Pool" item]

[Text] Beli Manastir, Oct 10 (TANJUG)—The parliament of the republic of Serb Krajina (RSK) on Sunday [10 October] unanimously rejected U.N. Security Council Resolution 871 because it did not mention the RSK as a separate state.

The RSK parliament only accepted a part of the resolution referring to the extension of the U.N. peace-keepers' mandate for another six months.

The RSK was formed in late 1991 in the Serb-populated parts within the arbitrarily drawn borders of communist Croatia, in response to Croatia's violent secession from the former Yugoslav federation. It was placed under U.N. protection in March 1992.

The latest U.N. Security Council resolution met almost all demands that Croatia had posed to accept the extension of the U.N. peace-keepers' mandate, including the disarming of the RSK troops. The resolution actually gives a go-ahead to the regime in Zagreb to launch an all-out war against the U.N.-protected RSK.

Defying all U.N. orders to withdraw to behind the U.N. brokered truce line, Croatia has since June launched three aggressions on the RSK in which several hundred Serbs, mostly civilians, were killed.

The RSK parliament decided by majovity vote at its session in Beli Manastir to hold the first multiparty elections on November 21.

The election law and the law on constituencies will be passed by that date. A proposal has already been made to reduce the number of seats in parliament from the current 270 to 60.

The session continues with the debate on amendments to several laws.

Krajina Assembly To Mobilize All Conscripts

AU1010203093 Belgrade Radio Beograd Network in Serbo-Croatian 1800 GMT 10 Oct 93

[Text] The republic of Serbian Krajina [RSK] Assembly is still in session in Beli Manastir. We have correspondent Dragoljub Stankic on the line.

[Stankic] The republic of Serbian Krajina Assembly, here in Beli Manastir, has adopted another, extremely important decision. They have adopted a decision to mobilize all the conscripts that are from the Krajina and are currently residing in the Federal Republic of Yugoslavia. This concerns everyone, regardless of whether they are over 40, which is what the earlier decision decreed. If they do not comply, they will lose their citizenship and property that they have in the republic of Serbian Krajina. This is all. The deputies demanded that the deadline be seven days, but the definite decision will be made by the government of the republic of Serbian Krajina sometime soon. This is all for now.

Krajina Minister on Confrontation With Hadzic

LD1110215193 Belgrade TANJUG Domestic Service in Serbo-Croatian 1411 GMT 11 Oct 93

[Text] Knin, 11 Oct (TANJUG)—Regarding an open confrontation between Goran Hadzic, president of the republic of Serb Krajina, and Milan Martic, Krajina minister of internal affairs, which took place at a session of the Krajina parliament in Beli Manastir, Martic made a statement for Radio Knin today saying that this is not a private confrontation between the two of them, but arose because of the essential interests of the people and the state.

The confrontation, according to Martic, began at the moment when the government adopted a decision to put under its control all state and material reserves and natural resources, including the Krajina oil industry.

When the government had worked out a program to this effect Hadzic opposed it, fired the managing committee of the Krajina oil industry, and appointed his own people. The Krajina oil industry is in the hands of Goran

Hadzic and a group of people around him—it is their private property, Martic said.

According to him, oil was sent to the oil refinery in Pancevo but never returned, which inflicted huge damage on agriculture, while the situation with the supply of oil derivatives is worsening daily. Martic further said that he had told Hadzic about his omissions, and also about the fact that he had to be based in Knin, to which Hadzic replied by accusing Martic of meddling in his business.

He acted in contravention of the Constitution and therefore I asked the parliament to put a no-confidence motion in me on the vote, because I did not want Hadzic to replace me, Martic said. This did not suit Hadzic and then the deputies from Baranja, western Srem, and eastern Slavonia walked out of the session, Martic continued.

Concluding his statement for Radio Knin he said that he would again ask the Krajina Parliament to put a motion of no-confidence in him to the vote at its next session at Plitvice on Saturday, 16 October, because, as he said, "compromising does not lead anywhere."

Tudjman Comments on Resolution, Bosnia

LD1110180993 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 11 Oct 93

[News conference by President Franjo Tudjman with domestic and foreign correspondents in the Presidential Palace in Zagreb—live]

[Text] [Correspondent (name indistinct)] Mr. President, the Serb Krajina assembly has rejected UN Security Council Resolution 817. What is your reaction?

[Tudjman] The Serb Krajina assembly's rejection of Resolution 817 is a sign that extremists in their ranks have prevailed. They are still unaware that they are confronting not only the regular, legitimate Croatian authorities but also the whole world. However, we have to hope that at some point reason will prevail among them. If this does not happen they will share the fate of those who obstruct the legitimate authorities of the country they live in and the entire international community.

[Correspondent (name indistinct)] Rebel Serbs have declared full mobilization of all military conscripts. In view of the fact that Arkan's forces are crossing the Danube [into Croatia], do you have any reports about preparations for a major military operation against regular Croatian forces?

[Tudjman] I do not think that either these rebels in Croatia or those in Serbia and Yugoslavia who back them would dare or be able to launch any kind of offensive operations against Croatia. However, this indicates that Serbia has continued its aggression against Croatia through the UN Protected Areas [UNPA's]. As far as I know this decision implies a mobilization of people from the UNPA's, now residing in Serbia. Of course this is just an excuse for further shipments of weapons and infiltration of sabotage groups from Serbia and Bosnia into Croatia.

[Ramljak] Olga Ramljak, SLOBODNA DALMACIJA: Croatia welcomed Resolution 817 as a great achievement on the part of its diplomatic service. However, we can see from previous questions that two key Croatian demands—concerning the borders and the deadlines—have not been fulfilled. When do you expect them to be fulfilled?

[Tudjman] Resolution 871 is a diplomatic victory for Croatia. In view of the circumstances in which the resolution was adopted we could not have expected more. The UN Security Council would have to adopt a new mandate and send fresh troops to Croatia in order to implement the resolution. In any case the resolution incorporates a request for border control, as it mentions the implementation of all resolutions including Resolution 769, which refers to the control of the borders. However, the resolution also includes a decision under which the UN secretary general will review the implementation of the resolution in two months time and propose new measures in coordination with the Croatian Government. Therefore, it remains to be seen what, if anything, will be implemented over the next two months of the current UNPROFOR [UN Protection Forces] mandate. After this period, taking into account the standpoints of the Croatian Government, the secretary general will have to decide whether and how to continue the peace operation in Croatian UNPA's.

[Saracevic] Saracevic, German radio: May I say something about the same topic? UNPROFOR still has a peacekeeping mandate. Three days ago at a news conference UNPROFOR Commander General Cot sounded pessimistic when he said that UNPROFOR could not impose disarmament. Do your remarks mean that UNPROFOR could be given a peacemaking mandate in two months time?

[Tudjman] Of course, that is exactly what we wanted. If the Serbian side—and this means not only the Serbs in Croatia, but also Belgrade which backs them as well—if they do not accept the implementation of all resolutions then either the UN Security Council will adopt a decision on peacemaking forces or we will have to cancel the mandate.

[Mohovic] Mohovic, NOVI LIST—GLAS ISTRE. Mr. President, can you comment on the open letter written by six Croatian intellectuals who demand your resignation, among other things? This letter has been condemned by some newspapers as being mistimed.

[Tudjman] Obviously some gentlemen do not understand the meaning of democracy. In Croatia three elections have been held within the space of three years. Talking to some very responsible international figures, we have been told that, in their opinion, in this respect,

as far as the demonstration of our democratic credentials and the constitutional order in Croatia is concerned, we have gone too far. If some gentlemen do not understand what democracy or the people's will means then that is their problem. Ever since biblical times there have been people like them. As you know, they were called Pharisees or similar names. They can be found today in every country, in every nation, in all circumstances.

The fact that they are raising their voice in Croatia today, at the same time, the same day, when public appeals are being made to the effect that the former Yugoslavia should be restored in one form or another, that if not a Yugoslav than a Balkans conference should be organized ....[sentence incomplete as heard] In this context one counts on other forces in Croatia; this is no coincidence just as there is no coincidence in history or in the life of an individual or people.

[Karatovic] Zeljko Karatovic, GLAS SLAVONIJE. The National Defense and Security Council has, it seems to me, for the first time set a deadline—that is, by the end of this month—for the opening of the Zagreb-Zupanja highway. What if this does not take place? What is Croatia going to do in that case?

[Tudjman] We are going to consider this and do what is beneficial for Croatia.

[Staresina] Visnja Staresina, VECERNJI LIST. Mr. President, the conference co-chairmen have often spoken recently about the necessity of finding a global solution for the area of the former Yugoslavia. Last week you talked to Mr. Stoltenberg. Did you discuss this global solution? What shape is it expected to take? Is there any substance in it? Finally, what specific means of achieving it should be tried?

[Tudjman] As for a global solution, these days it primarily implies a solution to the crisis and war in Bosnia-Herzegovina and the UNPA's in Croatia. But it also implies, given that sanctions against Yugoslavia and Serbia and Montenegro have been extended, that this Yugoslavia—that is, Serbia and Montenegro, these successor states of Yugoslavia that have now been expelled from international organizations—must above all meet numerous obligations, particularly in the sphere not only of human rights but also of minority rights too, in order to gain recognition and rejoin all international bodies and organizations.

However, as for the global solution, it is linked to the peace force in particular, implying Bosnia-Herzegovina. As you know, the possibility of NATO involvement has been discussed for months. You probably know that at the meeting in Vienna with Mr. Izetbegovic and his delegation, to which I also invited Mr. Claes, president of the European Council of Ministers, and Turkish Foreign Affairs Minister Cetin, I tried to outline my proposal to the effect that the parties to the conflict in Bosnia-Herzegovina should accept—that is, given that they have already accepted in principle the constitutional solution to the Bosnia-Herzegovina crisis—that the international community, the EC should suggest to the the UN Security Council that, instead of the peace force, NATO should be involved in the role of the peace force.

Understandably, in this context I suggested that at that point NATO should be simultaneously involved in Croatia and Bosnia-Herzegovina. Under the protection of such peace forces an arbitration commission should be tasked with demarcation, something that constitutes the main dispute on the way to a solution for the crisis in Bosnia-Herzegovina.

[Correspondent (name indistinct)] Oslobodjenje, Sarajevo. Mr. President, you had a meeting with Mr. Izetbegovic in Vienna. I would like to know if you discussed the autonomy of Western Bosnia, what your opinion is of Fikret Abdic's move, and what implications it can have on the continuation of the Geneva talks. Thank you.

[Tudjman] As you are asking me that question I would first of all like to inform our public that after the inter-Muslim confrontation broke out in Bihac province—that is, in western Bosnia—I proposed a meeting between Messrs. Izetbegovic and Abdic here in Zagreb. The confrontation is obviously damaging to the Muslims, particularly because it followed the yet unresolved conflict between the Muslims and Croats. This obviously is not in the interest of peace; it is damaging to the Croat and Muslim forces which opposed the Serb aggressor and plays into the aggressor's hands. This is why I initiated such a meeting in Zagreb. Mr. Izetbegovic, however, did not agree to the meeting in Zagreb but proposed that we meet in Vienna on the way back from New York. That is when the meeting I have spoken about took place.

I consider that meeting detrimental ....[Tudjman pauses] I consider the conflict in western Bosnia detrimental and I believe that it is very damaging not only to Bosnia-Herzegovina, to the proposed union, to the prospect of the union's existence, but is also in contravention of the agreement signed in Geneva by Mr. Izetbegovic and us Croatians on 14 September. This is an agreement on cooperation between the Bosnian Muslim republic and the Croat republic within the union and on cooperation between the two republics and Croatia itself.

Since it is known that Mr. Abdic was one of the people who advocated such cooperation, then the conflict between the forces under Mr. Izetbegovic's command and the forces under Mr. Abdic is damaging not only to internal interests and relations within the Bosnian Muslim republic, and within the envisaged union of Bosnia-Herzegovina, but it also directly damages the agreement on cooperation between the Bosnia-Herzegovina union as a whole, and the Bosnian Muslim republic and Croatian republic separately, with the State of Croatia.

[Correspondent] If there are no other questions I would like to ask another one. How would you, Mr. President, comment on Mr. Churkin's statement in BORBA in

which he says that sanctions against the FRY should not be linked to the resolution of the conflict in Croatia?

[Tudjman] I think that you read interpreted his statement onesidedly. If BORBA says exactly that then Mr. Churkin also said at the same time that reintegration of Serbia and Yugoslavia into international organizations is linked to the resolution of the issue of the UNPA's in Croatia. I think that his statement contains such an assessment.

[Correspondent] I would like to ask you another question regarding the situation in Cazin Krajina [western Bosnia]. Fikret Abdic has had several meetings with you. Did he show any signs, give any hints during the talks that he intended to declare the autonomy of Cazin Krajina? I am asking this question because an Italian news agency has speculated on the basis of this that western Bosnia, as an autonomous province, will ask to join Croatia, to be autonomous within Croatia, and so on. Since you had talks with Abdic after which no statements were issued about the subject of the talks, did he then announce the autonomy of Cazin Krajina?

[Tudjman] In no talks that I or other representatives of Croatia have held with Fikret Abdic was there any mention of or any agreement on Cazin Krajina joining Croatia. But it is known that Mr. Abdic has, both within the Geneva conference and in general, pressed for a political solution within Bosnia-Herzegovina, and for cooperation between the union of Bosnia-Herzegovina, and particularly his province of western Bosnia, and Croatia, for they are geopolitically and economically linked. It is known that this is a historical fact and that the whole of Agrokomerc [food processing complex, whose manager is Fikret Abdic] was built in cooperation with economic organizations of northern Croatia, Zagreb, Karlovac, Rijeka.

[Unidentified correspondent, in English] I would like to ask a question regarding western Bosnia. The official press in Croatia are giving a lot of publicity to this Abdic affair. Some are saying that the Croatian policy is behind his move. How do you comment on that? Wouldn't you prefer if Mr. Abdic was in the place of Mr. Izetbegovic?

[Tudjman] I have already given the answer to your question with my previous answer. I can repeat it. The Croatian policy is not behind the confrontations between Abdic and Izetbegovic. I have said that I personally wanted to remove, to avoid the confrontation by inviting Messrs. Izetbegovic and Abdic to Zagreb to help them in the interest of resolving the crisis in Bosnia-Herzegovina and in the interest of cooperation with Croatia. I wanted to prevent further bloodshed in Bosnia-Herzegovina, since this can only play into the hands of the Serb aggressor. I think that extremist elements in the Muslim ranks have conducted a policy which is not prudent enough and which is, moreover, worrying. Since the Muslims reiterated in Vienna that they were behind the agreement we had signed and behind our agreement reached in Vienna, one can only hope that they want peace. It is to be assumed that the conflict on the Croatian border, in western Bosnia, should be brought to an end as soon as possible. Elements who cause such divisions and bloodshed should be removed from political life as soon as possible and, in this case too, a political solution should be found. It is beyond any doubt that Mr. Abdic is the Muslim politician who won, they say, most votes in the election for the Presidency of Bosnia-Herzegovina [in November 1990], that Mr. Abdic deserves credit for the situation in the whole of that area, and that he, according to all information available to us, enjoys support of the majority of the people.

[Ramljak] Olga Ramljak. Mr. President, Croatia was refused permanent membership in the Council of Europe and in the European Christian Democratic Union in Vienna. How do you explain this double refusal?

[Tudjman] There were no refusals in Vienna because the issue of membership did not figure on the agenda at all. On the contrary, as Resolution 871 testifies, the international position of the Croatian ruling party has improved and its reputation has grown.

As far as the denial of membership is concerned, this is a result of the state of war in these parts. Likewise, membership in the Christian Democratic Union—they are waiting for a convention or a congress of the ruling party, which will take place in the near future, so these international bodies will then declare themselves. In any case, you can rest assured that, in this respect, Croatia's position is very good. They have made it known that they are well aware of the nature of this party and its impact on the political landscape of Croatia. They are also aware of the fact that this majority party has established a more stable and democratic system than any other post-communist country. Many disorders are taking place in other post-communist countries, and former communists are returning to power, directly or under some pretext.

[Ramljak] My second question. Mr President, as you have already said, the convention of the Croatian Democratic Union will take place on 15 October. Do you anticipate any major changes within the party? Thank you.

[Tudjman] We shall see what happens at the first convention. As far as I know, the Croatian Democratic Union will consolidate its ranks even further. It is public knowledge that the Croatian Democratic Union is the only majority party that has never experienced any infighting or bickering. This had been desired by certain outside forces that would have liked to see other political forces at the helm of this country which would help them achieve their objectives.

In any case, the Croatian Democratic Union will consolidate its position with its program, its statute. It will also reassert its intentions—to base its program and activities

on the principles and values of the Christian civilization of the Western world. This will be expounded by the party's leadership.

There will be no disputes and rifts within the party because this would not be in the interest of Croatia; moreover, it would have an adverse effect on the creation of preconditions for a stable international order in this part of Europe.

[Unidentified correspondent] Mr. President, speaking about party activities, how would you assess the statements made by the leaders of the Dalmatian Action Party and the Istrian Democratic Alliance, who declared after the explosion in front of the Dalmatian Action Party's headquarters in Split that this incident marked the beginning of an open season on regional parties?

[Tudjman] Well, such statements were not made only by the leaders of the Dalmatian Action Party but, interestingly enough, also by the leaders of the Istrian Democratic Alliance. This is very indicative because, as you well know, it shows that...[laughing] this bomb attack was organized by the members of the Dalmatian Action Party's top leadership. The investigation is under way, the public has been informed about this.

Therefore, this was not only a criminal, terrorist act but an act aimed at discrediting democratic authority in Croatia. The domestic and foreign public will be given enough evidence to comprehend what this was all about. The people responsible for this are not only affiliated politically but also have family ties, they are related to each other.

Tudjman Statement on Return From Vienna Conference

LD0910120593 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 9 Oct 93

[Report by correspondent Tihomir Vinkovic]

[Text] [Vinkovic] President Tudjman has returned from Vienna where he took part in the European Council conference. Upon his arrival at Zagreb airport, President Tudjman had this to say about his visit to the European Council in which Croatia has a special guest status:

[Begin Tudjman recording] First of all, the European Council conference was the first congress of meetings of European countries since the Vienna Congress held in 1815. Therefore, it is important that heads of state and governments have met—those who are already members of the council, and those who are applying to be.

Our Vice Premier [Mate] Granic had an opportunity to present Croatia's stands on issues of interest to Europe when considering the acceptance of new members.

I had a series of meeting with statesmen. It is particularly important that at my initiative we had a meeting with Izetbegovic and his delegation, and with Willy Claes, the chairman of the European Ministerial Council, and the Turkish Foreign Minister. In these meetings we tried to find a solution for Bosnia-Herzegovina, not only to end the conflict between Croats and Muslims, but how to find a solution for Bosnia-Herzegovina in general terms. I do not know whether you have heard about it, but we came up with some new proposals.

All sides should accept the political solution reached within the Geneva conference, NATO should be involved in the role of peacekeeping forces, and disputed borders issues should be dealt with by an international arbitration commission. Such a solution might be acceptable for the European Community, the United Nations, and the United States in order to accept the NATO involvement and solve the controversial issues under—so to speak—the auspices of, that is, with an active involvement on the part of NATO, which should prevent war and ensure peace. [end recording]

Granic Defends Army's Actions in Metak

LD1110224493 Zagreb Radio Croatia Network in Serbo-Croatian 2100 GMT 11 Oct 93

[Text] Dr. Mate Granic, Croatian deputy prime minister and foreign minister, has sent a letter to Tadeusz Mazowiecki, the special UN envoy for the former Yugoslavia, regarding the action of 9 September when the Croatian units entered the Metak area. We broadcast the full letter, forwarded to HINA today by the Ministry of Foreign Affairs:

I am writing to you in reply to your letter of 1 October 1993, regarding the incident of 9 September this year, when the Croatian forces entered the Metak area. The purpose of the action by the Croatian forces was to eliminate the terrorist units which had entered the area under Croatian control and killed Croatian soldiers and to neutralize the Serb paramilitary forces which had constantly and deliberately targeted the town of Gospic with their artillery weapons.

The reports on the events on the ground on the day of the action and on the alleged violations of international humanitarian law, which we enclose in the letter, are based on a visit to the area by one of my envoys, who is a general staff officer.

All those killed in the action in Divoselo, Citluk, and Pocitelj died in the fighting. They were armed, they wore uniforms, and they were putting up resistance to the Croatian Army units. Since the resistance to the special antiterrorist units of the Croatian Army was put up by the special Serb terrorist paramilitary units it is possible that several people were killed in various combat situations from a short distance.

After the identification of the bodies and medical examinations the Croatian side unilaterally handed the bodies of 52 people to the Serb side several days after the completion of the action. The analysis conducted by pathologists before the bodies were returned did not show any signs of violation of nternational war law.

All civilians who did not take part in armed resistance were taken to police stations and were released upon interrogation. Ten women were immediately accommodated in one of refugee reception centers in Croatia. POW's were treated in accordance with the Geneva convention; in Rijeka they were visited by members of the International Committe of the Red Cross.

As regards victims that you call women and elderly people we give the following explanation:

One elderly woman opened fire from an antiaircraft gun on Croatian units wounding several Croatian soldiers—she was killed in the exchange of fire with the units of the Croatian Army. Prior to that Banja Luka TV had on several occasions had reports on the very same woman who was a prominent national hero—a female warrior.

Another woman who also fought against Croatian units, when surrounded and ordered to surrender, activated a hand grenade which killed her and her husband. We do not know of any other women or victims among the elderly people.

In that area, 28 members of the Serbian paramilitary were in hiding in the period between 9 September and the withdrawal of the Croatian units which coincided with the arrival of protection forces in that area. At the moment we do not know whether any of them were killed at that time. The Croatian Army headquarters has already demanded an additional report from the officers on the ground. In light of the configuration of the terrain, the mountainous Velebit area, it is possible that more bodies may be found.

Croatian President Dr. Franjo Tudjman immediately ordered an investigation to be carried out into the demolition of civilian property and other possible violations of international humanitarian law. We shall inform you at once of any additional findings as soon as the investigation has been carried out, and when individual responsibility has been established. We shall also forward you our additional report.

As in all other cases in connection with international humanitarian law we would like to stress that we shall continue to cooperate with your commission and other UN bodies, Granic's letter says.

Granic, Silajdzic Agree on POW Exchange

AU1210095693 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0900 GMT 12 Oct 93

[Text] The foreign ministers of Bosnia-Herzegovina and Croatia, Haris Silajdzic and Mate Granic respectively, discussed the release of prisoners and the (?movement) of humanitarian convoys in Zagreb last night.

The two ministers agreed that after a six-month blockade, a convoy with humanitarian aid for Bosnia-Herzegovina can finally leave Split today. They also agreed on when the Army of Bosnia-Herzegovina and the Croatian Defense Council should start releasing prisoners. The evacuation of the wounded from Tuzla is scheduled for today. On Thursday [14 October], Ministers Silajdzic and Granic will visit the Konjic and (?Zabola) areas. This would, in fact, mark the beginning of the exchange of prisoners according to the all-for-all principle, as agreed upon in a joint declaration by Presidents Izetbegovic and Tudjman.

Federal

FRY Officials Reportedly Reject 'Global' Approach

LD1110165093 Belgrade TANJUG in English 1430 GMT 11 Oct 93

["Pool" item; By Stevan Cordas]

[Text] Belgrade, Oct 11 (TANJUG)—The diplomatic circles of the Federal Republic of Yugoslavia [FRY] said on Monday [11 October] that the calling of a new London conference was acceptable only on the condition that it deals with the economic recovery of all former Yugoslav republics.

At the same time, these circles have rejected the view that the conflict in the former Yugoslav republic of Bosnia-Herzegovina be solved within the framework of a global process, which would include all problems in the territory of former Yugoslavia and also the issue of Serbia's provinces (Vojvodina and Kosovo-Metohija). Such a return to the begining would not be acceptable for Yugoslavia because it would mean dangerous slowing down of the rhythm of the peace process in Bosnia-Herzegovina and hence the delaying of the implementation of peace in that former Yugoslav republic, said the Yugoslav diplomatic circles.

The idea that a new London conference discusses the issues of Kosovo-Metohija, Vojvodina and Sandzak are unacceptable because that would represent the direct interference in Yugoslavia's internal affairs, the sources believe.

The E.C. and the co-chairmen of the conference on former Yugoslavia, Lord David Owen and Thorvald Stoltenberg, are trying to return the whole process to the begining as they are aware of their failure in the peace process on Bosnia-Herzegovina and at the same time of their inability to do more than they have already done. The idea on the renewal of the London conference has not yet been officially launched by anyone, but it has been loudly voiced in the European capitals and at the U.N.

The revival of the idea on a new London conference comes precisely at the time of Bosnian Moslem leader Alija Izetbegovic's refusal to sign the peace agreement on Bosnia-Herzegovina, which would have also meant the end of the civil war and the formation of that former Yugoslav republic as a union of three ethnic states—Moslem, Serb and Croat.

Izetbegovic had rejected the peace plan with ease and, according to some experts and analysts, he could not have done this without the agreement, or even the inducement, of certain powerful world factors.

The world media usually mention the U.S. and the so-called German block as standing behind Izetbegovic's move.

Izetbegovic is well aware of the fact that the U.N. Security Council sanctions against the Federal Republic of Yugoslavia will not be lifted without the reaching of peace in Bosnia-Herzegovina and thus continues to rely on the belief that, under the pressure of sanctions, Belgrade would pressure the bosnian Serbs to give new concessions to the Moslems. However, this could turn against the Bosnian Moslems themselves.

At this moment, after the proclamation of the autonomous province of Western Bosnia by moderate local Moslem politician Fikret abdic, Izetbegovic does not control even ten percent of the territories, compared to the 31 percent offered by the Bosnian Serbs and Croats.

Serbia

Seselj Invites Draskovic, Kostunica to Meeting

LD1010215093 Belgrade TANJUG Domestic Service in Serbo-Croatian 2045 GMT 10 Oct 93

[Text] Belgrade, 10 Oct (TANJUG)—Vojislav Seselj, [leader of the Serbian Radical Party], this afternoon invited Vuk Draskovic [leader of the Serbian Renewal Movement] and Vojislav Kostunica [leader of the Democratic Party of Serbia], to a secret meeting to discuss bringing down Sainovic's government and forming a new one, BORBA writes in its issues tomorrow, quoting sources close to the Serbian Renewal Movement.

It is not clear whether the meeting has taken place this evening, since, according to the BORBA sources, Draskovic first demanded Seselj's apology for all his insults directed toward the Serbian Renewal Movement. If the meeting materializes, the Serbian Renewal Movement will demand [for itself] the position of prime minister and half of the ministerial positions.

Krajina Serbs Deny Betrayal Accusations

AU0810213793 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 8 Oct 93

[Text] Esteemed viewers, in the course of the debate during which the Radicals accused the Socialists of not being patriots, the republic of Serbian Krajina's stance arrived in the form of a telegram delivered to the Serbian Assembly. The telegram, signed by Brigadier General Mileta Novakovic, reads:

In reaction to statements expressed in political debates in the Republic of Serbia which pertain to combat activities against the Ustasha in the republic of Serbian Krajina, we feel it is necessary for us to stress the following: In combat activities carried out so far against the Ustasha neo-Fascists there was not a single case of deliberate clearing of our minefields, or firing at fellow Serbs from behind. The statement claiming that the members of the Socialist Party of Serbia or any other party had engaged in such activity is inaccurate. All the volunteers from the republic of Serbia and other Serbian

lands have always been received by us as troops for the defense of our people and territory, and not as members of political parties.

The aid which we have so far received from our brothers in Serbia was crucial for our survival. We expect the same help in the future, because we know that the strength of our defense and the fate of the Serbian people as a whole depend to a great extent on the unity and strength of Serbia.

Montenegro

Government Wins No-Confidence Vote

LD0910074993 Belgrade TANJUG Domestic Service in Serbo-Croatian 0047 GMT 9 Oct 93

[Text] Podgorica, 8 Oct (TANJUG)—The vote of no confidence in the republican government, discussed in the Montenegrin Assembly at the proposal of the People's Party, ended this morning with the expected result: Milo Djukanovic's Cabinet won majority support.

A total of 51 deputies voted for the government and 11 against, with two abstentions.

The Serb Radical Party deputies walked out of the session dissatisfied because their proposal to interrupt the lengthy debate last night and resume it today was rejected.

The debate, which went on for two days, was reduced to fierce verbal conflicts between the opposition People's Party and the ruling Socialists. There were many personal insults, which have so far not been widely used by the deputies in the Montenegrin parliament, regardless of previous interparty frictions.

Nova Kilibarda, leader of the People's Party, said at the end of the debate that the government has not realized a single one of the seven priority tasks listed in its program, and that it is obvious that the government has violated the constitution.

Kilibarda said that in any democratic country this would be enough for a no-confidence vote.

Montenegrin Prime Minister Milo Djukanovic stressed at the end of the session that all deputies should consider what authority the parliament still commands among the citizens after it acted irrationally on several occasions.

If the prime minister speaks for 30 minutes about a proposal prepared beforehand, while the initiators of the proposal spend at least 11 hours talking about it, then something must be wrong with the validity of the proposal, he said.

Djukanovic stated the following as his government's priority tasks in next period: Activity leading toward lifting the sanctions, preventing a fall in production, stepping up social policy, supplying sufficient provisions to citizens, and ensuring citizens' safety.

Macedonia

Gligorov Supervises First Army Maneuvers

LD0910202493 Belgrade TANJUG in English 1900 GMT 9 Oct 93

[Text] Kicevo, Oct 9 (TANJUG)—The army of the Former Yugoslav Republic of Macedonia (F.Y.R.M.) on Friday held its first manoeuvres at the military training grounds in Suvopolje near Kicevo, said a statement released in the F.Y.R.M. capital Skopje on Saturday [9 October].

Macedonian President Kiro Gligorov and high-ranking army officers were also present at the exercise.

Chief of Staff of the F.Y.R.M. Army Dragoljub Pocinov said the troops which participated in the manoeuvres showed "a high level of combat readiness and a solid skill in handling the weapons and military equipment."

Turkish military attache Mehmet Tass was also present at the manoeuvres.

Macedonia is the only one of the four former Yugoslav republics which left the former Yugoslavia in a peaceful way and the only one which has not gained full international recognition.

The recognition is opposed by greece, whose northern province bears the same name and which argues that Skopje has territorial aspirations towards Greece.

Kosovo

Prime Minister Bukoshi Urges EC Presence

AU1010155293 Tirana Radio Tirana Network in Albanian 1830 GMT 9 Oct 93

[Text] Dr. Bujar Bukoshi, prime minister of the republic of Kosovo, who is visiting the United States, delivered a speech at the Carnegie Foundation in Washington, which was attended by media representatives and experts on Balkan affairs.

Dr. Bukoshi declared that Kosovo will determine whether the crisis in former Yugoslavia will end or whether it will escalate. He mentioned the new wave of arrests and Serbian repression in Kosovo, which are intended to increase tension and constitute a form of provocation on the part of the Serbian regime. Bukoshi stated that a disquieting factor is represented by the fact that the Serbian Government is trying to justify the situation in Kosovo and the arbitrary arrests carried out there as measures in response to alleged terrorist acts by Albanian separatists.

Concerning the struggle of the Albanians for independence, there is no single politician in the world who is not convinced of our determination to settle differences by peaceful means. No single incident that has happened in Kosovo can be termed as an act of terrorism.

Premier Bukoshi went on to say that the European Community must ensure its presence in Kosovo. The people of Kosovo appreciate the decisions adopted by the UN and by the United States to strengthen the sanctions against Serbia.

Concluding his speech, Dr. Bujar Bukoshi said that the UN and other international bodies must understand that the security of Kosovo is a key to regional security and a test for various collective security institutions in Europe.

Vojvodina

Sanctions, Drought Threaten Harvest

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["Pool" item]

[Text] Novi Sad, October 11 (TANJUG)—Wheat harvest has been discontinued in several regions of Yugoslavia's granary of Vojvodina as a result of the lack of fuel, whose import is banned under the sanctions regime imposed by the United Nations against the Federal Republic of Yugoslavia.

The government of that northern province of the Yugoslav Republic of Serbia again on Monday [11 October] appealed on the republican government to urgently provide 17,000 tonnes of diesel oil for completing all agricultural work during this month, when the conditions are optimum.

The United Nations Security Council has imposed the oil embargo as part of comprehensive sanctions against Yugoslavia, which has been accused of being involved in the civil and religious war among Muslims, Serbs and Croats in the neighbouring former Yugoslav Republic of Bosnia-Herzegovina.

This year, like the last, Yugoslav farmers are facing difficulties in obtaining fertilizers, pesticides, insecticides and spare parts for the agricultural machinery.

The crop yield has been further decimated by drought, which for the second year in a row has disastrous proportions.

In Vojvodina, maize yield will be reduced by two million tonnes, or 44 percent, and will not exceed 4.76 billion tonnes, Provincial Secretary for Agriculture Olga Curovic said.

Other crops have also failed. The yield of sugar beet will be around two million tonnes (36 percent less than planned), that of sunflower 444,000 tonnes (20 percent less than planned) and soy 144,000 tonnes (35 percent less than planned).

The production of potatoes, onions, beans and other vegetables has also gone down 15 percent, said Curovic.

The Federal Republic of Yugoslavia, which used to be a major food exporter, is now struggling to provide enough food for its population of 10.4 million and around 650,000 refugees from the war zones in former Yugoslav republics because the U.N. sanctions have crippled the country's agriculture.

Experts have estimated that, under normal circumstances, Vojvodina alone could produce enough food for more than 40 million people.

Yugoslav experts have warned that the country will next spring have about four million hungry people if the embargo remained in force.

At a meeting of the humanitarian group of the International Conference on Former Yugoslavia in Geneva on Sunday, it was estimated that about 50 percent of the Yugoslavs currently lived on a subsistence level. This percentage is expected to grow in 1994 as a result of the collapse of the country's economic and social systems caused by the U.N. sanctions.